

Atkins plan to give Ulster more power

By Julian Haviland, Political Editor

Proposals to return some political responsibilities to Northern Ireland are to be outlined in Parliament today by Mr Humphrey Atkins, the Secretary of State for Northern Ireland, as MPs are asked to authorize the continuation of direct rule in the province for another year.

Mr Atkins's ideas have been kept secret because in the past new political initiatives from Westminster have been damaged by heavy criticism even before being announced. But he has rejected any idea of substantially increasing the powers of the district councils. Nor are fresh elections to any new provincial assembly contemplated in the near future.

Still, Mr Atkins remains wedded to the principle of devolving political power and to pursuing discussions with Northern Ireland political parties on how to achieve that, in spite of the opposition of the Rev Ian Paisley's Democratic Unionist Party.

Mr Atkins is convinced of the need for political development in Ulster, and for the politically inclined to have a constructive outlet in helping run the province's affairs, such as an advisory council of politicians.

Today's debate is the one occasion in the parliamentary year at Westminster for a full discussion of Northern Ireland's political future. This time there is a certain eagerness, brought on by uncertainty among MPs, on either side of the House, about how the views of the Labour Party are changing.

In spite of Mr Michael Foot's assurance yesterday that devolution of Ireland could only come by consent, there are signs that other influential figures on the Labour side may be changing their position.

In particular, Mr James Callaghan, the former prime minister, has been telling friends at Westminster that he plans a major intervention in today's debate. He is said to have suggested that the time has come for a fresh look at the Government's traditional guarantee that there can be no change in the constitutional position of Northern Ireland without the consent of the majority of the population there.

Vital guarantee to population

This guarantee has been the basis of Northern Ireland policy for both Conservative and Labour governments, including Mr Callaghan's own. In Whitehall it is regarded as vital still for the reassurance of Northern Ireland's Protestant population, and the prospect of a senior figure as Mr Callaghan questioning it has excited some nervousness.

It remains to be seen, though, what words Mr Callaghan will choose.

Today's debate will also concern renewal for six months of the Northern Ireland Emergency Provisions Act—the basis of the courts which sit without juries in Northern Ireland to try those charged with terrorist offences.

Mr Foot and the Labour front bench will urge today that the Government should set up a judicial inquiry into the Act, to make sure that civil rights are being properly protected. But the Government intends to resist this proposal.

In Whitehall it was made known that Mrs Margaret Thatcher was anxious to meet the new Taoiseach soon. The Anglo-Irish study groups, set up at the last summit with the former Irish Prime Minister, Mr Charles Haughey, cannot continue further without ministerial direction.

Contempt blow to Government

The Government was defeated in the Lords when an amendment was carried against the advice of Lord Hailsham of St Marylebone, the Lord Chancellor, which would make it a contempt to disclose, solicit or obtain anything taking place in a jury room. The amendment, carried by 76 votes to 41, a majority of 35 against the Government, came during Lords consideration of Commons amendments to the Contempt of Court Bill.

Parliamentary report, page 5

Bank lending under scrutiny

A parliamentary study group has been established to assemble evidence for an attack on bank lending policies. It was set up because of the belief that industry has been handicapped by excessively short-term lending policies, and is to report by the autumn.

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Iranians held

Fifty left-wing guerrillas were arrested for plotting to blow up the Iranian parliament in Tehran. The new leader of the Islamic Republican Party said they were arrested after a gun fight.

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State aid for parties urged

Political parties should receive aid from public funds to match their subscription income, a committee of the Hansard Society proposes.

Page 2

Mandlikova and Lloyd in final

Chris Lloyd, of the United States, will play Hana Mandlikova, of Czechoslovakia, in the final of the women's singles at Wimbledon tomorrow. Yesterday Mrs Lloyd beat another American, Pamela Shriver 6-3, 6-1 and Miss Mandlikova defeated Martina Navratilova 7-5, 4-6, 6-1.

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Begin hopes to form coalition next week

From Christopher Walker, Jerusalem, July 1

Mr Menachem Begin, the Israeli Prime Minister, and Dr Joseph Burg, the leader of the National Religious Party (NRP), who met tonight to discuss the possibility of forming a government, are agreed that a new coalition could be formed by next week.

Dr Burg told reporters after the meeting it was likely that the political link between Likud and his party would continue. He added that the Tami party of Oriental Jews, which is predicted to win two seats, may also join such a coalition.

Earlier it has been thought that Tami and NRP might have problems in sitting together round the same Cabinet table. Later a high-level Likud source expressed confidence that Mr Begin would be able to form a new Government with between 63 and 64 supporters in the 120-seat Knesset.

Conclusive results of the poll are expected from tomorrow when the National Election Commission tallies the votes and apportions seats according to the percentage each party won nationally.

After the most indecisive election result in recent Israeli history, intensive negotiations began today designed to form a coalition with a majority in the Knesset. The political bargaining is expected to last for at least two weeks.

Although computer forecasts still gave the Labour Party a one-seat lead over the ruling Likud coalition, there was a wide agreement among all parties that Mr Begin stands much the best chance of forming the next administration.

With 49 seats predicted for Labour, 48 for Likud, and 11 for the two main religious parties, the two main religious parties of the opposition coalition would be easier for Likud to reconstitute the existing coalition than for Labour to form a new one.

Labour officials were speculating that a new Likud coalition would be well too unstable to last out its term of office. But by today all Labour optimism for a return to power encouraged by early computer predictions had evaporated.

Mr Shimon Peres, the Labour leader, still insists that he would try to form a coalition, but his staff have decided that the party will make no further comment about its chances until the result is known.

Mr Begin told his cheering supporters today that he would form the Government of Israel for the next four and a half years. As a result of the election, the Likud can command an absolute majority among members of the Knesset.

Political observers pointed out tonight that until the final votes—including those from the Army—are counted, precise figures are unreliable as changes of a seat or two in either direction remain possible.

What did seem certain was that the next Israeli government will have to live with an extremely vulnerable parliamentary majority.

It is understood as part of the effort to entice the NRP, Mr Begin is prepared to offer the party at least the Justice and Interior portfolios it holds in the present administration. In addition, Dr Burg is expected to stay on as chief of Israel's delegation on the Palestinian autonomy issue.

In addition, the Likud package is also expected to include pledges to introduce religious-oriented social legislation, to maintain government finance for religious institutions such as schools and to uphold the religious ban on civil marriage.

Israeli politicians argued that Labour was unable to offer a similar price for religious backing because of the anti-orthodox views of some of its members, and of other coalition partners it would have to recruit. These were expressed on a number of occasions during the campaign.

As the coalition building continues, the next official move after the final votes are counted will come from President Yitzhak Navon who, over the next two weeks, will call in the leaders of the Knesset factions for consultation.

No 'obey' promise by Lady Diana

By John Withrow

There will be a break with tradition at the royal wedding on July 29 at St Paul's Cathedral when Lady Diana Spencer will not promise to obey the Prince of Wales.

The wedding service, details of which were announced by Buckingham Palace yesterday, mainly follows the 1947 alternative Marriage Rite of the Church of England, drawn up in 1928. That service, unlike the 1662 version, permits the bride to exclude the promise to obey her husband.

Princess Anne, who married Captain Mark Phillips in 1973, and the Queen, who was married in 1947, both said they would obey their husbands. The Very Rev Dr Edward Carpenter, Dean of Westminster Abbey where both couples were married, said he was delighted with the break with tradition.

"Marriage is the kind of relationship where there should be two equal partners and if there is going to be a dominant partner it won't be served by this oath. I think this is much more Christian."

Since the introduction of the new service it has been common practice to exclude the promise to obey and it is understood that Prince Charles and Lady Diana have discussed the question at some length with Dr Robert Rundle, the Archbishop of Canterbury.

The promise that Lady Diana will be to "love him, comfort him, honour and keep him, in sickness and in health."



North meets South: Mr Roy Jenkins, campaigning for the social democrats in Warrington, is given a pensioner's view on a by-election issue. (SDP makes the running, page 2.)

Heath attacks economic policies and moves to curb unions

By Philip Webster, Political Staff

Mr Edward Heath, the former Prime Minister, after a new attack yesterday on the Government's economic policies, spoke out against any further legislation to curb the power of the trade unions.

Recalling the experience of his government after the 1971 Industrial Relations Act, Mr Heath, in remarks which will clearly embarrass the Government as ministers consider a new Bill for the next session of Parliament, argued specifically against new laws on the closed shop and making union contracts legally binding.

Mr Heath, standing in at short notice for Professor J. K. Galbraith, the American economist, delivered an address entitled "The British Economy: Strategies for Renewal" in which he bitterly criticized the Government's "incomprehensible policies" arguing that the civil war and racial tension could not be divorced from the economic situation.

"If you have half a million young people hanging around on the streets all day you will have a massive increase in juvenile crime. Of course you will get racial tension when you have young blacks with less chance of getting jobs."

Echoing some of the comments made by Mr Peter Walker, the Minister of Agriculture, Fisheries and Food, in New York last week, Mr Heath went on: "Whether you talk to businessmen or workers they do not understand the reason d'être of what is going on. It is extremely dangerous in any democracy not to understand why policies are being pursued, even if they are monetarist."

Mr Heath called for a fresh attempt to reach a consensus between management, unions and the Government on how the country should be run. Recovery would come from such a consensus not a "simple doctrine" like getting the money supply right.

Attacking several public expenditure cuts as more damaging than the saving justified, Mr Heath said the Government had an important role in increasing training programmes, the recession had diminished the numbers of skilled people.

He gave a warning of the dangers of undue concern about the balance of payments when the recession ended, as there would be much restocking of raw materials.

Chancellor warns state industries of greater external regulation

By David Blake and Anne Warden

Radical changes in the Government's approach to nationalized industries were foreshadowed by Sir Geoffrey Howe, Chancellor of the Exchequer, in a speech to the right-wing Saturday Group last night.

His speech was backed up earlier in the day by Mr David Howell, Energy Secretary, who defended the Government's latest intervention in the running of state industries—the British Gas Corporation's proposal to sell off its £200m share in the Wyth Farm oil field in Dorset.

The Chancellor said that the Government is now considering three ways of making state-owned industries more open to market disciplines—greater external regulation and control on efficiency, breaking up nationalized corporations into regional units, and the sale of private ownership.

Sir Geoffrey's speech was designed to give a boost to the Government's privatization programme, which has run into trouble lately.

He warned his audience that handing over parts of the public sector to private enterprise "is less than some armchair advocates realize". He listed Government progress to date in selling off some of the subsidiaries of state companies and said that plans to split up the British National Oil Corporation in the autumn would allow the Government to introduce private equity.

But he pointed out that "it is simply not possible to privatize any and every publicly-owned company as the stroke of a pen". It was important to wait until market conditions are right, he said, likening the Government's position to a company which wants to float off a subsidiary.

It made sense to hold on to companies such as British Airways because they would fetch far less now than they would when their profits had recovered.

The other main problem, he said, was state ownership of natural monopolies like gas and electricity.

He attacked the view that, because these companies are bound to be monopolies, they have to be publicly-owned to protect the consumer.

The high prices they charged did not benefit the public purse. Instead, they encouraged "over-manning, generous pay settlements, and mal-investment."

Sir Geoffrey's unusually outspoken criticism is the latest round in an increasingly bitter battle between the state industries and the Government on limitations on their investment.

Dealers wanted to see if the Bank of England would take a more active role in supporting the pound. The Government's policy to date has been that it would not order intervention by the Bank of England to resist market trends.

But while the fall in the pound improves the competitiveness of United Kingdom industry in international markets, it also raises the cost of imports and puts the Government's counter-inflation policy under pressure.

Sterling was also weak against other European currencies. Its index against a basket of currencies fell 1.0 to 93.1. Persisting downward pressure on oil prices was being offered as "the main explanation."

Sterling slips to new low against dollar

The pound slipped below \$1.90 in New York last night, its lowest level against the United States currency for three years.

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Universities told of severe cuts

By Diana Geddes, Education Correspondent

The social sciences and subjects allied to medicine are worst hit in severe cuts for the universities to be announced by the Government today.

Five universities are to have their student numbers cut by more than 15 per cent by 1984/85. They are: Aston, Bedford, Bradford, Hull and Salford.

In a confidential letter sent to all vice-chancellors last night the University Grants Committee says that subjects allied to medicine are to lose a quarter of their students over the next three years, most of that falling on pharmacy, while the social sciences are to suffer "a substantial reduction" in student numbers with the aim of improving the staff student ratio and strengthening the opportunities for research.

Overall, universities will lose 11 to 15 per cent of their income in grant and home student fees by 1983-84, and five per cent of their home students by 1984-85.

As foreshadowed in *The Times* last week, some will have their grant cut by more than 25 per cent; others, not necessarily the same ones, will lose more than a fifth of their home students.

In a covering letter to all universities, the UGC says that it envisages a worsening of about 10 per cent in the average unit of resource, that is the average cost per student, including some decline in all universities. That, should be borne in mind, it says, when universities are considering the committee's guidance on individual subject areas.

Details of the cuts and how each university has fared will be announced by Mr Mark Carlisle, Secretary of State for Education and Science, in a Commons written answer this afternoon.

A significant increase in resources has been allowed for retaining part-time extra-mural and adult education. The number of medical students is to be kept at its present level. The UGC says, however, that it is no longer able to increase in grant funds to enable universities to offer clinical medicine the protection it has hitherto enjoyed.

Dentistry is to suffer a less average cut in resources, and student numbers are to be kept at their present level pending the results of the review now being undertaken. Mathematics, engineering and technology, and business studies are all to have a slight increase in student numbers. The arts are to have a slightly greater than average cut.

There is no firm guidance on education, which is under review by the Government's Advisory Committee on the Supply and Training of Teachers. The UGC says that it expects there will be some reduction in numbers but further guidance will be offered in time for 1982/83.

In biological sciences, the UGC says that important new developments should be supported, "including those with a high potential value for the economy", but that those developments would be to some extent at the expense of other aspects of the biological sciences.

No university is totally exempt from the cuts. The UGC talks of a "significant variation" in the advice to individual universities about the degree of worsening of their unit of resource.

No Oxford, for example, has been told that it must reduce its home students slightly, and make financial cuts in some specific departments.

Conflicting Soviet signals on Afghan conference

From Michael Binyon, Moscow, July 1

The Russians today sent out conflicting signals on Moscow's willingness to search for a political solution in Afghanistan.

Senior Communist Party officials told Herr Willy Brandt, the former West German Chancellor, that the Soviet Union wanted a negotiated settlement guaranteeing the country's non-aligned status. But two commentators in the past day by the official news agency, Tass, have all but rejected out of hand the British call for a two-stage conference.

The confusion comes with Lord Carlington, the Foreign Secretary, due here on Sunday to outline his proposals put forward in the name of the European Community. His visit will be the first by a senior British minister since the Soviet intervention in Afghanistan.

A toughly-worded commentary by Tass today, referring specifically to the British proposals, denounced them as an attempt to exclude the Afghan Government from any search for a solution to the decade the country's destiny behind its back.

Tass said the only basis for a negotiated solution leading to a withdrawal of Soviet troops in Kabul's proposal last year that called for direct talks between Afghanistan and Pakistan and Iran.

The agency pointedly emphasized the Afghan demand that "the interests of Afghanistan cannot be discussed, let alone decided, without the participation of the Government of the Democratic Republic of Afghanistan or without its knowledge."

The Tass report, dated in Washington, went on to repeat the Soviet position that they were ready to discuss the question "around" Afghanistan either with or separately from security in the Gulf. But only the international aspects of the Afghan problem could be discussed.

This report appears to rule out any chance that Lord Carlington's proposals will prompt a change of heart here. However, several recent western visitors here, including a delegation of American Congressmen who spoke to Soviet officials yesterday, have claimed to detect a Soviet readiness to look for a way out of the present impasse in Afghanistan.

Herr Brandt, who today had talks with Mr Boris Ponomarev, a senior candidate member of the Politburo, and Mr Vadim Zagladin, an influential foreign affairs specialist, has spent a large part of his visit here discussing Afghanistan.

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Financial Editor, page 19

State aid plan to double political parties' income

By Our Political Staff

A proposal that political parties should receive aid from public funds to match their subscription income was put forward yesterday in a report from the Hansard Society, the independent parliamentary study group.

A committee headed by Mr Edmund Dell, the former Labour Cabinet minister, says it is desirable to restrain the growing dependence of the two main political parties upon institutional support, which is not only unhealthy, but can lead to a dangerous polarisation of political attitudes, and so distort democratic choice.

Aid from public funds should depend upon a party's popular support, the committee says, and it proposed that for every £2 contributed to a political party at local level, a matching payment of £2 should be made by the state to the party's central headquarters. There would be a limit of £5m a year paid out, and a limit to each party.

To achieve a maximum grant, a party would have to secure contributions from nearly one in 12 of those who had voted for it at the previous general election.

On the basis of votes cast in the 1979 general election, the parties would have become entitled to the following maximum sums:

Conservative £2,275,000; Labour £1,975,000; Liberal £714,000; SNP/PC £100,000. Total, £5,064,000.

To qualify for aid a political party would have to have secured 12½ per cent of the vote in at least six constituencies, or had at least two MPs elected, or had one MP elected, and received not less than 150,000 votes nationally.

The committee rejects the idea put forward in 1976 by the Houghton committee, set up by the last Labour government,

which recommended cash grants to party organisations at levels governed by each party's electoral support. The Hansard Society committee says it did not see why the state should protect parties from the financial consequences of falling membership, or from the inability to attract support. Nor could it agree that political parties should be singled out for protection against inflation.

But it said that unless parties had enough money for their activities, democracy could not function efficiently. Its proposals offer many advantages. It would encourage the parties to broaden their appeal and seek new members; to seek a large number of small donors rather than a small number of large donations.

The committee hoped that public support of the proposed pattern would also encourage contributors to participate in politics, and join political parties.

If local parties could attract more members, they could again become lively and responsive, and would not be dominated by a small number of old faithfuls or unrepresentative activists.

The scheme provides the parties with aid only if they succeed in persuading individuals to contribute. It therefore avoids one of the dangers of unconditional aid, since it ensures that aid cannot be used to shore up parties which the public does not wish to support, the committee says.

The Liberal Party welcomed the report yesterday. The Labour Party's commission of inquiry, which reported last year, said that the introduction of state aid should be a piece of legislation as it was essential for the continued functioning of the political parties and for the health of the democratic system.

Cost of Civil Service £8,336m last year

By Peter Hennessy

It costs each man, woman and child about £3 a week to support the running costs of the Civil Service. Before a single benefit is paid, parliamentary question answered, Bill drafted, weapon procured or Cabinet minute typed, according to figures published by the Government for the first time yesterday.

A White Paper on efficiency in the Civil Service prepared by the Civil Service Department shows that the salaries, pensions, accommodation and overheads of Whitehall and its outstations consumed £8,336m of public money in 1980-81.

As part of their drive for greater efficiency and economy, the Government has decided to publish the White Paper as an interim report on progress achieved in moving towards their goal of a slimmer, more effective government machine. The document was due for release before Easter, but the department originally was sensitive to the irony of a statement on efficiency appearing at a time when a large part of the Government's revenue-raising apparatus was paralyzed by industrial action, as it still is.

In a preamble to the White Paper, Lord Somers, Lord President of the Council, wrote: "It is a matter of great regret that the dispute over pay has interrupted progress. Damage to particular services will have to be made good and this is bound to take time."

"Morale and public confidence have been set back and will have to be painstakingly rebuilt. The Government's objective remains the same: a Civil Service commanding the respect of the public and the pride of those who work in it."

The White Paper's analysis of Civil Service running costs is a new venture designed to assist ministers and permanent secretaries in achieving a tighter grip on the management of manpower and money in their departments.

The document also announced the Government's decision to make departments pay for accommodation and other services formerly provided free of charge by the Property Services Agency. The object of the change is to make ministers and senior officials more aware of the overheads they incur. Efficiency in the Civil Service, Cm 8253, Stationery Office, £2.10.

Drive to slim DoE, page 3

Pressure by union for all-out strike

By Donald McIntyre

The largest Civil Service union will this morning press for an all-out strike on the ground that it is the only way left of persuading the Government to increase its 7 per cent pay offer for 1981.

The executive of the Civil and Public Services Association last night agreed to go for all-out action rather than continue the increasingly costly strategy of selective strikes.

Mr Alistair Graham, the union's deputy general secretary, said: "We shall want to analyse very clearly whether there will be sufficient money to sustain continued selective action."

The Civil Service unions yesterday stepped up industrial action by revenue collection staff with the aim of blocking payment of corporation and other taxes, which will be £1,250m during the coming month.

The council of Civil Service unions will be advised by Mr William Kendall, its secretary general, to give evidence to the inquiry under Sir John Megaw. It will consider whether to continue selective strikes or to opt for an all-out stoppage favoured by most members.

consulted by the largest union, the Civil and Public Services Association.

The council, nevertheless, faces a real dilemma today. Some union leaders will question whether that level of financial support can be sustained while others want to know how the Government's £550,000 white-collar civil servants would take part in an all-out strike of at least two weeks.

Diary, page 12

Communists make inroads into Labour

Power at the top

By Paul Routledge, Labour Editor

Communists in the trade union movement are setting their sights on becoming fully active within the Labour Party after their most successful season of political activity for years.

With only the railwaymen and the miners still on the conference circuit, Communists and their allies are counting the gains on issues such as unilateral disarmament, the boycott of the 1980 Employment Act and the campaign to propel Mr Wedgwood Benn into the Labour deputy leadership.

Years of seclusionary activity in trade union elections have put an increasing number of Communist Party members into positions of power and responsibility in the labour movement, and their presence could be a critical factor in the leadership battle.

At its most obvious, the communist influence can swing large block votes for Mr Benn, as it did in the Union of Construction, Allied Trades and Technicians, whose 200,000-strong vote is almost certain to go to the left candidate because of a executive decision involving three Communists last week.

But almost as important as far as the Communist Party is concerned is the campaign to retain the Wembley special conference formula for the Labour Party electoral college which gives the unions the biggest say in choosing leader and deputy leader.

Other key planks in the "Communist manifesto" are unilateral disarmament, withdrawal from the EEC, a vast extension of nationalization, free collective bargaining and opposition to incomes policy, and root and branch hostility towards the Government's labour law reforms.

Communist Party militants persuaded policy-makers in the country's second largest union, the Amalgamated Engineering Workers, not to accept standards for secret ballots at the start of the conference session. Since then they have claimed credit for unilateralist votes at the steelworkers and elsewhere and the growing demand from unions for outright withdrawal from the EEC. Free collective bargaining is practically universal policy.

The communists' advances in the unions are out of proportion to their numbers, and probably owe as much to the strong reaction against the Conservative Government as to the attractiveness of Communist Party policies.

The same line goes into each union from the Communist Party industrial department, and in the words of Mr Bert Ramelson, a former industrial organizer: "An idea floated by the Communist Party early in the year can become official Labour Party policy by the autumn of the same year."

The next phase of party strategy is to win the lifting of the ban on Communists being members of the Labour Party so they can take their places as delegates. A campaign to end the ban is to be launched.

Some unions, such as the miners, send Communists as delegates to the Labour conference and they take part in pre-conference delegation meetings on how the National Union of Mineworkers' vote should be cast but they cannot sit in the hall.

But all Communists are instructed to pay the Labour political levy, and Mr Michael Cosell, the Communist Party's national industrial organizer,

said yesterday: "When Mr Frank Chapple casts his vote at the Labour Party conference this will include the votes of Communists in the electricians' union."

The real problem is that Communists are unfairly discriminated against. Communists are active in the Labour Coordinating Committee, a political pressure group

that supports Mr Benn and is seeking to extend the radical changes won in the party into the unions. Party members, including Mr Derek Robinson, are attending the Communist conference in London on July 18 and two leading Communists, Mr Ken Gill of the engineering union, and Mr Michael McGahay, of the miners, are sponsors of the event.

COMMUNIST PRESENCE IN LABOUR PARTY AFFILIATED TRADE UNIONS	
General Secretary	Ben Rubner, Furniture, Timber & Allied Trades (FATAT)
George Goy, Sheet Metal Workers	
George Goy, Amalgamated Union of Engineering Workers (TAU)	
Asst General Secretary	Karl Brett, AUEW (engineering section)
Karl Spectman, AUEW (construction section)	
Mr Terry Marland, Tobacco Workers Union	
Jim Korman, FTAI	
President-chairman	Arthur Ulling, Union of Communication Workers
Bill Hunkley, Associated Society of Locomotive Engineers & Firemen (ASLEF)	
Arthur Ulling, Union of Construction, Allied Trade & Technicians (UACAT)	
Vice-president	George Goy, AUEW (construction section)
Michael McGahay, National Union of Mineworkers	
Victor Henry, Transport & General Workers' Union	
Influential presence on national executives	
UACAT—Three (Arthur Ulling, Hugh O'Carry, Jack Henry)	
NUR—About five (including Neil McColligan, John Scanlon, Jack Nicholson)	
NMA—Four (Joe Whelan, Nottinghamshire; Michael McGahay, Scotland; Jack Collins, Kent; and George Pappa, Wales)	
UWU—Four out of 25 (Victor Henry, George Kirby, Peter Fussy and Eric Richmond)	
ASLEF—Two out of nine (Bill Rensley and Charles Rodgers)	
Also: Sheet Metal Workers' Union; Tailors & Garment Workers' Union (TGWU); Influence among national officers: AUEW (Tess); FTAI; AUEW (engineering); NMA	
* Broad left influence: ASLEF; UGAT; TGWU.	
* Member of the TUC General Council	

Railmen seek cuts in overtime to save jobs

From David Felton, Labour Reporter, St Andrews

Britain's largest rail union is to launch a campaign to persuade its members to reduce excessive overtime working so that new jobs can be created in the industry.

The average amount of overtime worked by British Rail's 250,000 employees is more than ten hours a week. The National Union of Railwaymen's conference in St Andrews was told yesterday that eliminating all the overtime would create 20,000 new jobs being available.

Mr Sidney Weighall, the union's general secretary, said that railway staff worked 35 per cent of their rest days and that there were more than 10,000 vacancies in the industry.

Mr Weighall said: "Overtime is inefficient. It creates tedium and strain at work and has damaging effects on morale, performance and absenteeism. Overtime also increases resistance to the introduction of new technology when the size of the wage packet has become dependent upon working additional hours."

The conference yesterday agreed to pursue a reduction in the working week but pulled back from a commitment which was demanded by left-wingers for the early introduction of a 35-hour week. Delegates also

instructed union negotiators to seek a substantial pay increase in negotiations next year, when the Government intends to restrict pay rises to 5 per cent. Mr Weighall pledged that the 167,000-strong NUR would play its part in negotiations, or changes in working practices but only on the understanding that other sections of the industry would do the same.

There had been calls earlier in the conference for the basic minimum of the lowest grade railway worker to be raised to £90 a week from the present £88.75. There was also a demand that if the claim was thrown out by British Rail, the union should make strike action in conjunction with its "able alliance" partners, the National Union of Mineworkers and the Iron and Steel Trades Confederation.

That move was defeated by the union leadership after Mr Weighall appealed to delegates not to tie his hand in next year's pay negotiations.

British Rail has refused to increase a 7 per cent pay offer to rail workers this year in response to a 15 per cent claim. The results of an arbitration hearing are expected in the next few weeks.



Cardinal O'Fiaich celebrating Mass on Clapham Common before 5,000 people.

Cardinal proclaims ecumenist Plunkett

By Clifford Longley, Religious Affairs Correspondent

Speaking in the presence of a casket containing the headless body of his predecessor Oliver Plunkett and on the 300th anniversary of his execution, Cardinal Tomás O'Fiaich, Archbishop of Armagh, praised the spirit of tolerance between Protestants and Catholics which he had stood for in a time of persecution.

Oliver Plunkett, canonized in 1975 by Pope Paul VI, was condemned to death for treason on evidence arising from the Titus Oates plot, and executed at Tyburn in London on July 1, 1681. The false witness against him, Cardinal O'Fiaich recalled at yesterday's commemorative mass in London, was given by nine Irish Catholics, four of them priests. The case was exposed as a fabrication immediately afterwards.

With Cardinal Hume and a large assembly of Roman Catholic bishops and priests from England, Scotland, Ireland and Wales, Cardinal O'Fiaich celebrated Mass before a crowd of about 5,000 on Clapham Common, south London.

A message from the Pope was delivered during the Mass.

The body was brought from Downside Abbey, Somerset, by hearse on Monday.

IRA KILLER NOT TO BE HANGED

From Our Correspondent

Peter Rogers, aged 36, the Belfast IRA man who was due to be hanged in the Irish Republic on July 9 for the capital murder of a policeman, last night had his death sentence commuted by President Hillery.

The President, on the instructions of the Irish Government, substituted a 40-year sentence and ruled that he should be served without remission.

The policeman was shot dead when he stopped a van driven by Rogers which was carrying explosives. Police have since established that the bombs were to be shipped to Britain for a bombing campaign last Christmas.

Belvoir coal ruling may be deferred

By John Young

A decision on whether to allow development of the Vale of Belvoir coalfield, in Leicestershire, is not expected until next week at the earliest.

The most likely verdict is thought to be that the planning application by the National Coal Board should not be rejected out of hand but should be reconsidered at a later date.

The subject is apparently not on the agenda for today's Cabinet meeting and when an announcement is made it will not be presented as a collective Cabinet decision. Despite its national implications, the report of the inspector, Mr Michael Mann QC, will be treated as dealing with a normal planning appeal, and the decision will be issued in the usual way by letter from Mr Michael Heseltine, Secretary of State for the Environment, to the applicant.

However, the fact that the report has been with Mr Heseltine since last December clearly indicates that the matter is not being left solely to him. Among other ministers with a direct interest are Mr Peter Walker, Minister of Agriculture, and Mr David Howell, Secretary of State for Energy.

There is also speculation about the attitude of the Prime Minister whose home town, Grantham, lies close to the Vale and was the scene of the inquiry.

The Duke of Rutland, owner of Belvoir Castle and one of the leading opponents of the proposed development, yesterday dismissed reports of its rejection as pure speculation.

Nevertheless, both the National Union of Mineworkers and the National Coal Board issued further warnings about the possible effects of rejection. The NUM begins its annual conference in Jersey next week, and its secretary, Mr Lawrence Daly, said it would "fight all the way" to reverse an adverse decision.

Ivory dog sold for £23,880

By Geraldine Norman, Sale Room Correspondent

A tiny Japanese ivory carving of a smiling dog, with jet-inlaid eyes, secured one of the highest ever auction prices for a net-suke when it sold for £48,000, or £23,880, at Christie's in New York on Tuesday. It could have proven the bargain of the season, for Christie's original estimate on the piece was only \$400 to \$600.

The engaging little dog bears the signature of the eighteenth-century Kyoto-school carver, Okamoto. So popular were his animal carvings, particularly his guinea pigs and horses, that they were copied in their thousands by later artists—especially in the nineteenth century. The copiers thought nothing of adding Okamoto's signature, sometimes with considerable skill.

Christie's New York catalogue, an expert with specialist knowledge of Japanese prints, assumed that he was handling one of these later copies. As a safety measure Mr Peter Buffon from the London office flew to New York before the sale; he changed the cataloguing or estimate or both on half a dozen times.

He set a revised estimate on the piece at \$15,000 to \$25,000 and it was bought by Oriental Treasures, a dealer from Hawaii.

A mid-nineteenth-century net-suke of a standing tiger had its estimate revised upwards from \$1,500 to \$2,500 to \$5,000 but that was still short of the mark. It sold for \$17,000, or £8,457, also to Oriental Treasures.

The sale included both Chinese and Japanese works of art and ended with 28 per cent unsold out of the £698,512 total.

In London yesterday Sotheby's held two sales of Impressionist and modern art and again they proved an uphill struggle. Some 40 per cent of both sales was unsold, with paintings and sculpture totaling £1.4m and drawings £1.3m. There was a sprinkling of high prices, notably among the drawings.

Henry Moore watercolours of 1940, sketches of reclining sculptural figures, made the highest price ever achieved at auction for one of his drawings when it sold for £15,000 (estimate £5,000 to £8,000) to Kirkman, a London dealer.

SDP making running in Warrington

From Craig Seton, Warrington

With the Conservative candidate still looking for an issue to launch his campaign and the Labour Party loudly ignoring its rivals, it was left to Mr Roy Jenkins and the SDP to continue to make the running in the Warrington by-election yesterday.

Mr Jenkins, freshened by a roustabout session in the streets and clubs the night before with Lord George-Brown brought in Dr David Owen, one of the joint leaders of the new party, to give warning of the growing Communist influence in the Labour Party.

Mr David Williams, son of the retiring Labour MP for the constituency, to explain why he has joined the SDP.

Dr Owen, at the party's early morning press conference, again attacked Labour's decision to invite Chinese and Soviet Communist Party observers to its annual conference. It was, he said, symbolic of the domination of the party by the left wing.

The Militant Tendency was infiltrating the constituency while the Communist Party was coming into trade unions to influence the election of the Labour deputy leader. "You are seeing in miniature what could happen with the election of a Labour Prime Minister," Dr Owen said.

Mr Williams said he had left the Labour Party in April, before his father, Sir Tom Williams, decided to retire as the town's Labour MP.

The SDP represented the only choice for people who wanted to get away from the growing extremism of the right and left and he had been appalled and astonished that the local Labour Party had picked an extreme left-winger as their candidate. It was totally at odds with the views

of his father, whose politics were much closer to those of Mr Jenkins.

Mr Jenkins said there were signs that some of the bulk of doubting Labour voters were beginning to make up their minds to support his party.

A Social Democratic victory in the Warrington by-election could light a torch which would not be put out for decades, Mr Jenkins said last night.

He was addressing 300 people at the biggest public meeting the party has had in the town. He said: "What happens in Warrington in 15 days can have the most dramatic effect on the whole course of British politics for the rest of this century."

Earlier Dr Owen demanded that Mr Douglas Hoyle, the Labour Party candidate, should withdraw an accusation that Social Democrats who had left the Labour Party were traitors.

Mr Stanley Sorrell, the London bus driver who is the Conservative candidate, said his party would not do as badly as the press seemed to think. It came second with 9,000 votes at the last election.

He challenged the "socialist" candidates of the SDP and the Labour Party to explain how without creating more inflation they would pay for the extra jobs they said their policies would create.

Mrs Thatcher will not be visiting Warrington to aid Mr Sorrell's campaign, although Mr William Warkley, Mr Michael Heseltine and Mr John Nott are expected.

Mr Andrew Phillips, aged 41, the solicitor who advises listeners to the Jimmy Young Radio 2 programme on legal problems, has been chosen as the prospective Liberal parliamentary candidate for Gainsborough.

DAILY STAR READER PROFILE

I like to read the Daily Star for its sports coverage not just the golf report—but because it tells me about all sport.

NICK FALDO
Leading British Golfer

DAILY STAR

In a year, Daily Star sales for June '81 have soared 49% to a record breaking 1,585,000* copies a day—up 134,000* copies over last month.

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Options at Austin Reed Summer Sale now on

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Heseltine starts new drive to slim DOE

Scrumming around the Prince

IN BRIEF

Jury warned on press reports

The trial of 11 men accused of plotting to further the aims of the outlawed Ulster Volunteer Force was unexpectedly adjourned in the High Court in Glasgow yesterday. The judge, Lord Ross, said the trial would resume today. A question had arisen regarding the inaccuracy of certain pieces of evidence.

He told the jurors that the verdict must be based on evidence they had heard, not anything they might have read in newspapers.

VIP 'scroungers'
The Government was yesterday urged to end financial support for VIP lounges at British airports. Mr George Foulkes, Labour MP for South Ayrshire, tabled a series of Commons questions about the special facilities which cost about £2

Poison case remand
Two boys aged 14 and accused of stealing poison cadmium chloride from school laboratory and administering it to schoolmates, were remanded into local authority custody.

Jail for rates refusal
Mrs. Heather Church, a 40, a nurse of Glanrafon, Mwyd, Gwynedd was yesterday jailed for 28 days by Machynach magistrates for refusing to pay rates.


No further education
Forty-four per cent
Britain's 16-year-olds le
school and do not have
of further education

Girl climber dies
Miss Ann Renfrew, aged 17, of Sands Point, New York, was killed yesterday when she fell from a cliff while climbing.

Hook pins boy's leg
Kevin Mudd, aged 10, of E. Crescent, Stockbridge, Son

STAR

STAR PROFILE



...allegiances I believe it is
with the whole spectrum of
interpretation.
...the Daily Star brings a
...one should not ignore. ”
FRANK FRODSHAM
Engineers Employers' Federation

41R
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THE NATIONAL NEWSPAPER

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Curbs on overseas doctors sought by BMA

From Nicholas Timmins, Brighton

The British Medical Association yesterday called for controls over the number of overseas doctors allowed into Britain and for regulations over the period they are allowed to practise.

Speakers at the association's annual representatives' meeting in Brighton called for work permits, or a voucher system, to limit numbers and ensure that those who do come receive proper training.

The move, which was strongly supported by several overseas doctors, although opposed by some, came as the association called for changes in doctors' career structure and fewer medical students, and expressed fears about rising medical unemployment.

Dr Christopher Wells, chairman of the BMA's manpower committee, said unemployment among doctors had risen to 600 last year.

Doctors told of dozens, sometimes scores, of applicants queuing both for hospital jobs and partnerships in practice. The meeting called for an urgent expansion of the consultant grade to enable the number of junior hospital doctor posts to be cut.

The conference was told that many of the 20,000 overseas doctors here had ended up in dead-end jobs, with poor facilities, training and career prospects. Many were deeply disillusioned.

Dr Hamid Husain, a general practitioner from Rotherham, said little could be done to improve the lot of those already here unless the numbers arriving were controlled. "The need to regulate the entry of overseas doctors is of paramount importance."

GLC ends fight over home transfers

By Christopher Warman
Local Government Correspondent

The Labour-controlled Greater London Council yesterday reluctantly accepted that further opposition to the transfer of council homes to the local boroughs was hopeless after the failure of Tuesday's vote in the House of Commons against Mr Michael Heseltine, Secretary of State for the Environment.

It will now abandon its election promise to fight against the compulsory transfer of some 53,000 council homes to the boroughs which do not want them.

Mr Ken Livingstone, GLC leader, commented: "This is a major defeat for our housing policy in London, adding that the GLC could see no way of avoiding the transfer."

The council has been advised that there is nothing more legally to be done to prevent the compulsory transfer, which is due next April. As soon as the Labour Party gained control of the council in May, Mrs Gladys Dimson, the housing chairman, wrote to Mr Heseltine declaring the council's opposition and asking to be persuaded to change his mind.

Mr Heseltine's refusal to contemplate a change, emphasized in the Commons debate, effectively ends any hope for the council.

Mr Livingstone will tell his Labour colleagues at a group meeting next Monday of the decision, and the housing committee will probably consider it next Thursday.

It was the GLC's estimated £450m over the next 10 years to bring all the 240,000 GLC-owned dwellings up to the required standard.

In addition an estimated £337m will be needed for the maintenance and management of the council's housing stock.

Mr Peter Adams, of the Electrical, Electronic, Telecommunication, and Plumbing Union, complained that there were nine different levels of management in the dockyards, which hampered efficiency.

Small employers had been set up and it was difficult to see how they could be broken down without wholesale reorganizing. Their preservation had become very important to those involved.

Mr Adams was appearing before the committee as chairman of the union side of the Government Industrial Shipbuilding Trades Joint Council, which had been set up to improve productivity in the dockyards.

The objective should be to ensure that another job was waiting as soon as one was finished. People do not hang about when they are working, he said.

But management have not found it possible to keep that flow of work.

"If you counted productivity in bits of paper there is no doubt that it has gone up by leaps and bounds," he added.

There was no doubt the skill and quality of work were being maintained, but the shipbuilding of the dockyard employees was keeping them busy. The union representatives and MPs expressed concern over the future for apprentices in the yards.

Meanwhile local MPs and councillors from the Portsmouth area held a "frank and wide-ranging" discussion with Mr John Nott, Secretary of State for Defence, yesterday on the impact of last week's defence cuts on the dockyard.

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Candace Bahouth, a New Yorker who now lives in Somerset, with two of her tapestries, 'Jackie' and 'Nile Arab', on show yesterday at an exhibition of contemporary British tapestry at the Sainsbury Centre for Visual Arts, University of East Anglia, Norwich. After August 9 the exhibition will go on tour.

Union anger at dockyard inefficiency

By Henry Stanhope
Defence Correspondent

Inefficient management at the royal dockyards was criticized by union leaders yesterday, less than a week after the Government announced the closure of one dockyard and a sharp cut-back at another.

They were giving evidence to the House of Commons Select Committee on Defence as part of an inquiry into the dockyards which was started before the publication of the defence review last week.

Mr Peter Adams, of the Electrical, Electronic, Telecommunication, and Plumbing Union, complained that there were nine different levels of management in the dockyards, which hampered efficiency.

Small employers had been set up and it was difficult to see how they could be broken down without wholesale reorganizing. Their preservation had become very important to those involved.

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Big variations in car parts costs criticized

By Peter Waymark, Motoring Correspondent

Wide differences between the cost of parts for similarly priced cars are revealed in a report published today by the Consumers' Association.

Which? says it can find little justification for the disparities. It suggests that some car manufacturers are taking a bigger profit on parts than others, perhaps to keep down the price of the car.

The report criticizes car makers who insist on the fitting of authorized parts during the warranty period when parts of equal quality but lower price might be available elsewhere.

The report compares the cost of parts for 76 cars. A "basket" of routine items, such as spark plugs, fan belt and brakes pads, came to £29 for the Reliant Kitten compared with £44 for the Polonez and £61 for the Citroen Visa.

For another batch of parts, including alternator, clutch and radiator, the bill was £367 for the Metro and £728 for the Honda Civic. A gear box cost £469 for the Vauxhall Astra but only £138 for the Talbot Averger.

The report says that owners of cars from British manufacturers can often buy parts at lower prices on an exchange basis and that several foreign car makers do not have an exchange scheme.

Among the cars with the most expensive parts in relation to the cost of the vehicle were the East European Polski Fiat, Polonez and Lada, the Japanese Colt Sigma and 1400, Datsun Bluebird, Mazda 323 and Honda Civic, and the Peugeot 104 and Lancia Beta.

Models with the least expensive spares in relation to vehicle price were mainly from British manufacturers and included the Austin Allegro and Maxi, Ford Capri, Cortina and Granada, Talbot Alpine and Avenger, and Vauxhall Carlton.

The report advises motorists to consider not just the cost of spares but the reliability of the car they are buying. Reliable cars often cost less to run, even if their spares are expensive.

Which? also criticizes car manufacturers for misleading fuel consumption claims in advertisements. The motorist should be told about fuel economy in real terms, so that he or she knows how far a gallon of petrol is likely to take him in normal driving.

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Disease in sheep is danger to humans

By Hugh Clayton

Veterinary groups called yesterday for Government help against a little-known animal infection which can cause death in humans. They said that Britain lagged in curbing the condition even though it was widespread in some rural districts including the Lake District and parts of Scotland and was admitted to have caused seven human deaths in 1979.

Hydatid disease is caused by a minute worm, less than a quarter of an inch long which depends on sheep and dogs for survival. Mr John Parry, a former president of the British Veterinary Association, explained after a meeting of the association's governing council in London yesterday that in humans it produced "very many cysts about the size of a soccer ball attached to the liver".

Large cysts had to be removed by surgery because they were capable of blocking circulation to the heart, and some people did not make a very satisfactory recovery, Mr Parry said.

The condition occurs only in sheep-rearing areas. A dog may eat parts of an infected dead sheep and act as a host for the worm which is harmless to the dog, but which can be deposited in the dog's droppings. It may then contaminate grass and be consumed by another sheep.

Mr Leslie Porter, senior veterinary surgeon in Britain with the Bayer chemical group, said: "The scale of the problem in Wales would certainly justify an eradication scheme."

Mr Parry is chairman of a group which has just finished a pilot control scheme in two valleys in the county of Powys which has the highest sheep density in Britain and contains more than 5 per cent of the UK sheep population.

The scheme had shown that a drug developed by Bayer in West Germany could control the condition through regular dosage of dogs. That was done in other countries including New Zealand with large numbers of sheep flocks. The dogs need be given the drug every six weeks at a cost of less than a £1 a dose.

The association also protested over the Government's refusal to ban the ritual slaughter of farm animals which are not stunned first. Mr James Atcock, secretary of the association, said: "We cannot find slaughter without stunning compatible with animal welfare."

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Science report

Laboratory on river to study insects

By Pearce Wright
Science Editor

A research team conducting an unusual series of experiments into the conditions of a stretch of the Frome, near Wareham, in Dorset, has discovered more than 50 aquatic creatures that are new to science.

But the discovery by Dr Clive Pinder of the insects which belong to a family of non-biting midges called Chironomidae, is a by-product of studies of direct relevance to the practical job of managing river systems.

For the work of the Freshwater Biological Association at its laboratories at East Stoke is to understand the interaction and the biology of rivers and to find ways of determining the differences between natural conditions and the disruption created by man.

Two important experiments have been devised. Both make the river become part of the laboratory.

In one project the laboratory is built across the stream and the river flows through two channels with glass windows inside the building.

The other project, called the recirculating experimental stream, has been built near the source of another Dorset river, under a research contract supported jointly by the Department of the Environment and the Natural Environment Research Council.

The experimental stream consists of two channels which are two metres wide, and they are both built in the shape of an oval race track 50 metres long. They are filled with water which is pumped directly from natural springs.

The plan is to use the experimental streams to reproduce the events happening in a volume of water as it journeys from its source to the river estuary. These studies call for specialists in chemistry, microbiology, botany and fishery biology.

There are many examples of the benefits to river management from the type of fundamental ecological research done by the Freshwater Association. One of more unusual was prompted after reports that an insect with a vicious bite had become a pest to people in the Blomfield area of Dorset near the Stour.

The pest was identified by Dr Michael Liddle as a black fly that normally inhabited the edges of inland lakes.

Damaged to moderate the flow had produced ideal conditions for a weed on which the larvae of the insect could feed. The pest can be avoided simply by clearing the weed early in the year before the insect hatches.

In showing how to create proper records, a chemistry group of the laboratory has made a long-term study of river water. Their results show an increase of 1 part per million (one-thirtieth of one milligramme in one litre) in the concentration of nitrates over the past 15 years near Wareham. Similar figures have been accumulated for potassium, sodium, silicon and other elements.

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Government defeated over secrets of jury room

CONTEMPT BILL

An amendment designed to make any disclosure of information from the jury room a contempt of court was carried in the House of Commons last night. The amendment, which would make it a contempt of court to disclose any information from the jury room, was carried by 215 votes to 139. The amendment was introduced by Lord Hailsham of St Marylebone, the Lord Chancellor, and was supported by the Government. The amendment would make it a contempt of court to disclose any information from the jury room, whether it be a verdict or a finding of fact, or any other information which might be of assistance to the jury. The amendment would also make it a contempt of court to disclose any information from the jury room which might be of assistance to the jury. The amendment would also make it a contempt of court to disclose any information from the jury room which might be of assistance to the jury.

confidence of jurymen and it would undermine the confidence of the public in the jury system. It would produce people who would ask to dig out irregularities which had occurred in the jury room and it would put a temptation before some jurymen to suggest there were such irregularities. The Lord Chief Justice had permitted him to cite these words in relation to the clause as it stood. The Lord Chief Justice had permitted him to cite these words in relation to the clause as it stood. The Lord Chief Justice had permitted him to cite these words in relation to the clause as it stood.

The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury. The bill was still firmly in the court of the jury.

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Bill to expand NHS provision for abortion rejected

HEALTH SERVICE

The motion to bring in a Bill under the 10-minute rule procedure to improve the availability of abortion services was rejected by 215 votes to 139. The motion was introduced by Lord Hailsham of St Marylebone, the Lord Chancellor, and was supported by the Government. The motion would make it a contempt of court to disclose any information from the jury room, whether it be a verdict or a finding of fact, or any other information which might be of assistance to the jury. The motion would also make it a contempt of court to disclose any information from the jury room which might be of assistance to the jury. The motion would also make it a contempt of court to disclose any information from the jury room which might be of assistance to the jury.

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Knight: Stronger claims.

Richardson: Seeking uniformity.

It would be wrong to pass the Bill because it would give priority in health expenditure to abortion. It would be wrong to pass the Bill because it would give priority in health expenditure to abortion. It would be wrong to pass the Bill because it would give priority in health expenditure to abortion. It would be wrong to pass the Bill because it would give priority in health expenditure to abortion. It would be wrong to pass the Bill because it would give priority in health expenditure to abortion.

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GLC fares policy criticized

TRANSPORT

Mr Norman Fowler, Secretary of State for Transport, has made clear to the new London County Council that the GLC's policy to place new burdens upon the GLC is not acceptable. Mr Norman Fowler, Secretary of State for Transport, has made clear to the new London County Council that the GLC's policy to place new burdens upon the GLC is not acceptable. Mr Norman Fowler, Secretary of State for Transport, has made clear to the new London County Council that the GLC's policy to place new burdens upon the GLC is not acceptable. Mr Norman Fowler, Secretary of State for Transport, has made clear to the new London County Council that the GLC's policy to place new burdens upon the GLC is not acceptable. Mr Norman Fowler, Secretary of State for Transport, has made clear to the new London County Council that the GLC's policy to place new burdens upon the GLC is not acceptable.

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Mr Fowler: I do not think there is any complacency on the part of the Government. In the Transport Bill, now before the Lords, we are taking action in some of the most serious areas like drink-driving and motor cycle safety, and we are comparing the position with other European countries. Mr Fowler: I do not think there is any complacency on the part of the Government. In the Transport Bill, now before the Lords, we are taking action in some of the most serious areas like drink-driving and motor cycle safety, and we are comparing the position with other European countries.

Plans for London's docklands

DEVELOPMENT

The London docklands represented possibly the greatest development opportunity in Europe today and a new urban development corporation would release the potential and regenerate the area. The London docklands represented possibly the greatest development opportunity in Europe today and a new urban development corporation would release the potential and regenerate the area. The London docklands represented possibly the greatest development opportunity in Europe today and a new urban development corporation would release the potential and regenerate the area. The London docklands represented possibly the greatest development opportunity in Europe today and a new urban development corporation would release the potential and regenerate the area.

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Carrington hopeful on Afghanistan

EEC SUMMIT

Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, said he was hopeful that the EEC summit would be successful. Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, said he was hopeful that the EEC summit would be successful. Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, said he was hopeful that the EEC summit would be successful. Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, said he was hopeful that the EEC summit would be successful.

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CAR INDUSTRY

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DAILY STAR

READER PROFILE

66 always buy the Daily Star - and not just because I write a column in it. The Star is fun, easy to read and if you don't have a lot of time it is great to carry around with you all day to read when you have a little spare time.

STEVE DAVIS
World Snooker Champion

DAILY STAR

In a year, Daily Star sales for June '81 have soared 49% to a record, breaking 1,585,000 copies a day - up 134,000 copies over last month.

BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER

*Subject to audit

French Cabinet plans law to free broadcasting

From Ian Murray, Paris, July 1

The outlines of a new law designed to guarantee the total independence of broadcasting in France from political or financial pressures, were put to the Cabinet at its meeting today. Details are to be worked out by the end of the month by a special small inter-ministerial working group of "independent personalities" who will be nominated by the ministers of communication and culture. The law is intended to be put before Parliament in the autumn.

M. Georges Filloud, the Minister of Communication, told the Cabinet today that the new law would cover five main areas. The essential parts would be clauses designed to ensure that neither the state nor any private organization nor individual could exercise influential control over the broadcasting output.

The five points presented to the Cabinet were:

1. To guarantee, in respect of pluralism, the right of communication.
2. To assure the full autonomy of the bodies given control of the public service of radio and television with regard to much to national, regional and local political authorities, as financial powers.
3. To organize, parallel with regional reform, the decentralization of broadcasting.
4. To help the general development of culture, education and awareness of current events.
5. To facilitate a better diffusion of French culture and language through broadcasting.

The alleged manipulation of the media by the previous administration was an important complaint of the Socialist Party during the election campaign. M. Gaston Defferre, who has since become Minister of the Interior, said before the final polling day that the interference went so far as to make it constitutionally possible to question the fairness of the election result.

Since President Mitterrand's election there has been a rash of resignations from the most senior jobs in broadcasting. Although the new President promised there would be no witch-hunt when he came to office, M. Filloud issued a strong reminder to broadcasting chiefs that they must be very careful to respect plurality of views in their coverage, and the resignations followed.

The resignations have given rise to concern that the new Socialist regime will impose the same kind of restrictions on the new Opposition as the Socialists consider were imposed on them during their years in political exile. It has been pointed out that General de Gaulle found it impossible to appear on television throughout the period of the post-war Socialist governments.

The new law is meant to put an end to such suppositions. It is intended that broadcasting should develop into a more autonomous corporation. Many French journalists have in the past pointed out the lack of independence of the BBC as a model for what they would like to be created in France.

The law will also try to satisfy the demand for greater range of local radio. The Socialist Party in opposition was one of the champions of the cause of local radio and since the victory of President Mitterrand there has been a rush all over the country to set up small specialist stations.

On the other hand the Government is well aware of the dangers of total lack of control of broadcasting and is anxious to avoid what has happened in Italy where the airspace is jammed with hundreds of tiny stations.

The new law will also seek to give broadcasting a greater role in projecting the image of France in the world. This is something that was dear to the heart of the previous administration. M. Defferre, who was Minister of the Interior, said before the final polling day that the interference went so far as to make it constitutionally possible to question the fairness of the election result.

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Long legal process gives respite to Nazi guards

From Patricia Clough, Bonn, July 1

The start of the prison terms for the eight convicted Majdanek extermination camp guards receded into the future today as both prosecution and defence announced their intention to appeal.

The sentences, passed yesterday after the five-and-a-half year trial in Düsseldorf, met with protests from the West German Jewish community and deep dissatisfaction in the press. One former woman guard was given life imprisonment, seven others got terms averaging five-and-a-half years, and a ninth was acquitted.

After the judges' 11-hour summing up yesterday three of the accused, who had been at liberty during the trial, returned to their homes as usual. They had received sentences of between three and four years and the court saw no reason to arrest them. The others remained in custody where conditions are less harsh than those of convicts.

Under West German law prison sentences start when the verdict becomes final and this is unlikely to happen for at least a couple of years.

First the court has to issue its written grounds for the verdict, which is expected to take several months—they have a legal time limit of 90 weeks—then the prosecution and defence have six months in which to appeal to the High Court to review the verdict on points of law. There is no appeal against the verdict as such but the High Court could, if it wished, order a retrial.

The review of the vast mass of material involved will also take many months. One defence lawyer estimated that the whole process would take two to three years.

The eight, most of them in their sixties and one aged 70, have even interest in a long delay since the very old or infirm are usually excused from serving their sentences.

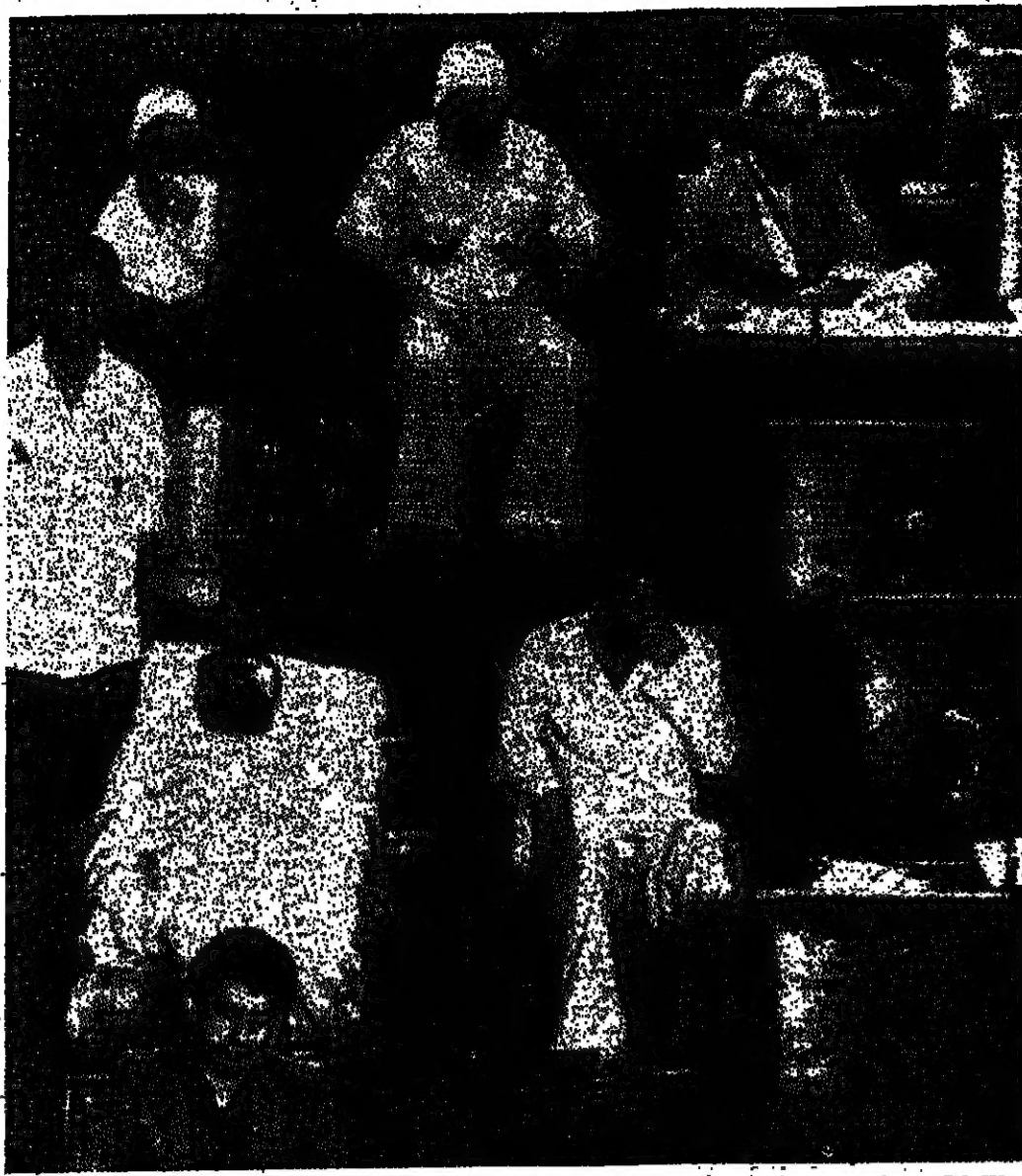
Herr Heinz Galinski, a leader of the Jewish community in Berlin, issued the "strongest possible protest" at the verdict. It was a scandal and an insult to all victims of the Nazi regime; the murderers of at least 200,000 people in Majdanek had not even started to get their just deserts, he said.

The Polish and Czechoslovak Communist Party organs, *Trybuna Ludu* and *Rude Pravo*, both described the sentences as "scandalous". "It dishonours the memory of more than a million Poles and Soviet citizens who died in Majdanek", *Rude Pravo* said.

West German papers regretted the hopelessness, so long after the event, of achieving justice for the victims of the Holocaust.

"Everyone feels", the *General Anzeiger* said, "the impotence of German justice, obliged as it is to establish individual proof against individuals, in front of such expectations of collective justice."

Many papers said West Germany had failed to act quickly in bringing the culprits to justice after the war, and now, 40 years later, was suffering the consequences of this delay.



Bandaged MPs, who were wounded in the Tehran bomb blast, take part in a Majlis debate, yesterday.

50 held for Tehran parliament plot

Tehran, July 1—Fifty left-wing guerrillas who planned to destroy the Iranian Parliament, the Majlis, were arrested last night, the new leader of the Islamic Republican Party (IRP) said today.

Newspapers said the guerrillas, from the Mujahedin Khalq group, were arrested after a gun battle with Revolutionary Guards, in which one guerrilla was killed and three wounded. Hojatoleslam Mohammad Javad Bahonar, the IRP leader, said he believed all opposition groups had joined in a plot involving the United States to attack the revolution. The guerrillas had been planning to destroy the Parliament, he said.

He told a press conference that the detainees belonged to the same organization that was involved with the United States in Sunday's bombing of the IRP headquarters.

Deputies from the Majlis, mourning 27 of their colleagues among more than 70 victims of Sunday's bomb attack, wept and chanted: "Death to America" during the first session since the bombing. Three deputies wounded in the blast were wheeled into the chamber in their hospital beds to make a quorum.

At the press conference, his first since his appointment, Dr Bahonar said a dismissed Revolutionary Guard who shot dead the governor of Tehran's Evvin prison on Monday had formerly been a guerrilla of the Mujahedin, and had shouted a mujahedin slogan when he fired. The incident raised the possibility of mujahedin infiltration of the Revolutionary Guards, but there was no indication that the alleged assassin was not acting alone.

Dr Bahonar said 72 people had died in Sunday's bomb blast and not 74 as officially reported yesterday. There had been confusion over various lists, he said. He said he had been chosen temporarily until the next party congress, in mid-August.

He also disclosed that the Cabinet had decided to hold elections to replace the 27 dead deputies on the same day as scheduled elections for a president to replace Mr Abolhassein Bani-Sadr. These are due on July 24, but may be postponed for up to one week.

In the Majlis, as deputies wept and wailed, Hojatoleslam Hashemi Rafsanjani, the Speaker, gazed at the empty seats and said: "Wherever I look in the Majlis, I see the flowers and light of our eyes, our beloved ones, on the empty seats, the deputies of the nation and guests of the Prophet in Heaven."

The emotions must be controlled, but I am weak. Their places are empty but we will resist and continue the revolution."

A Foreign Ministry official, quoted by the *Islamic Republic* newspaper, said today that the Iran Government had reason to believe that the Office for the Coordination of the People with the President in Iran, a propaganda group which supported Mr Bani-Sadr, had links with the American Mafia. He did not elaborate. —Reuters.

IN BRIEF

Hollywood chief resigns

Los Angeles—Mr Dennis Stanfill has abruptly resigned as chairman and chief executive of Twentieth Century Fox. He said the film corporation had materially breached his contract (see Davis writes).

The corporation was bought last month for nearly \$400m by Mr Marvin Davis, a Denver oil tycoon.

Killing deplored

Salisbury—The Government has deplored the shooting of a white Zimbabwean football player, who was killed by a Mozambican soldier last week. Blair Smith, aged 21, was a member of a multi-racial football team sent to Mozambique as part of a "week of solidarity" ceremonies between the two countries. It is not known why he was shot.

Journalists strike

Copenhagen—About 650 Danish journalists have gone on strike over pay claims and working procedures. The journalists' union is seeking equal salary rights with civil servants.

Belize pledge

Belize is to receive full independence from Britain by the end of this year, Mr Nicholas Ridgway, the Foreign Office Minister of State, told the Commons yesterday. He was speaking during consideration of the Belize Bill, which was given an unopposed Third Reading.

Cuban epidemic

Miami—Dengue fever, a mosquito-carried disease, has reached epidemic proportions in Cuba and has killed at least 31 people, according to Havana radio, monitored here. The broadcast said 83,000 cases had been officially reported. The virus, which lasts for up to a week, generally affects children.

Shark attack

Durban—A fisherman, who ignored warnings to stay out of shark-infested waters here, has been attacked by a grey shark. He managed to escape with a badly mangled leg.

False trails

Ellisburg, South Africa—A pair of fake rubber lion paws, used to lay false trails to attract big game hunters to the area, has been discovered here. The unnamed owner of a game ranch attracted hundreds of trophy hunters by walking around his farm wearing the lion paws.

Poisoned water

Ankara—Ankara's residents have been urged not to drink tap water until further notice because the city's water supply has been poisoned by insecticide spray aimed at local farms.

Zimbabwe whites show new confidence in Smith

From Stephen Taylor, Salisbury, July 1

Mr Ian Smith's political establishment, reasserted its control over a breakdown movement advocating closer cooperation with the Government.

In defying Mr Andre Holland, the leader of the recently formed Democratic Party who had been supported by the Government during the election campaign, Mr Geoffrey York, the Republican Front (RF) candidate, won almost 60 per cent of the votes cast.

Speaking to reporters in the small farming town of Onsevoort, Mr York rejected the suggestion that the vote was a sub-plot to the Government's policy of reconciliation with whites.

"It would be unrealistic of the Government, which has had only one year in office, to expect to gain the confidence of what voters so soon", he said.

The result, he claimed, showed that whites were happy to be represented as before by the RF and satisfied with the leadership of Mr Smith.

While observers had been predicting that the RF would win, the margin of victory was wider than had been expected. Mr Holland had represented the white roll constituency of Massey-Mofko for many years as an RF MP. He resigned in April because, he said, the RF was obstructing the Government and had failed to respond to gestures of friendship.

Mr York said the result vindicated the Lancaster House negotiations who had foreseen that there should be a period of entrenched representation for whites, who would need time to gain confidence in the Government.

He polled 784 votes, while Mr Holland received 476. The turnout was small, with 4,100 registered voters, but Mr York said that the electoral roll was out of date and that many whites had left the district. He estimated the number of eligible voters was between 1,500 and 2,000.

Mr Holland commented: "I regard the divisive policies which Ian Smith has successfully laid to white voters as highly irresponsible and damaging to the country."

But he said the Democratic Party would continue to harass the RF and campaign hard in a second by-election due to be held on July 14.

The Salisbury constituency of Borrowdale has generally been seen as more fertile ground than the rural areas for the Democratic Party's platform.

ZIANA NEWS AGENCY GETS GOING

From Our Correspondent Salisbury, July 1

A national news agency was opened in Zimbabwe last night, completing the process announced by the Government in January to free the media from South African influence.

The Zimbabwe Inter-Africa News Agency (Ziana) was opened by Mr Robert Mugabe, the Prime Minister, who said it marked a step ahead in the consolidation of independence.

Until this year Zimbabwe's newspapers were tied to the South African Argus group, and the news agency, Iana, was a subsidiary of the South African Press Association (Sapa), from which it received all its international news.

In January the Government bought the Argus group's controlling shareholding in the newspapers and established a Mass Media Trust to run the papers and agency, which would be independent of Sapa.

Mr Mugabe said last night that Zimbabwean readers were mature enough to reject news interpretations with a Western bias.

Ziana will continue to receive the Reuters and Associated Press services, which it has always taken through Sapa, as well as joining the pan-African and non-aligned pools of news.

Man in the news

From Frank Vogl, Washington, July 1

An advantage for Mr Clausen is that he has come to the World Bank without the political baggage burdening Mr McNamara. He is a banker's banker, who has steered clear of politics, though behind the scenes he has lobbied effectively at times for the interests of American business. He was selected for his new post by President Carter, but in outlook he has much more in common with President Reagan.

Securing strong American support for the World Bank will be one of Mr Clausen's toughest assignments, but he has the diplomatic manner that wins and influences friends. A strong ally, for example, is a fellow businessman in San Francisco, Mr George Shultz, the president of the Bechtel Construction Company and a close friend and influential adviser of President Reagan.

For more than eight months Clausen has been preparing for his new post, including a world tour to meet leaders who might prove useful allies in World Bank politics.

He has the experience and skill to drum up publicity, and is concerned that Americans do not understand the need for aid and that Congress may block funding for developing countries.

Mr Clausen has law and business degrees and a 30-year career behind him. He became head of the Bank of America in 1953 and has since quadrupled its assets and profits. He has admitted annual salaries of more than \$500,000 (more than £250,000) and now he turns to a job that pays one-third as much but offers new opportunities.

He believes in the virtues of free enterprise and is convinced that capitalism can play a greater role in raising the living standards of the developing nations.

Under Mr McNamara the World Bank's lending volume increased twelvefold. But today's era of budget constraints forces Mr Clausen to develop ways of boosting the bank's lendable funds without relying on big annual increases in aid from Britain, America and the other industrial powers.

Mr Clausen will dig deeply into his mine of business and banking contacts to stimulate greater private investment in developing nations.

European initiative gets lower priority

By David Spanier Diplomatic Correspondent

First reaction in London to the uncertain outlook after the Israeli election was that the EEC's controversial diplomatic initiative on the Middle East would now go onto "the back burner" or, in less colourful terms, be assigned a somewhat lower priority.

Lord Carrington, the Foreign Secretary, had already decided that his chances of making a useful contribution to the Middle East peace process, in his capacity as president of the European Community, were extremely slim.

Two reasons emerged at the EEC summit in Luxembourg which have reinforced this somewhat pessimistic assessment. First, the report by Dr Christoph von der Klause, the previous president and Dutch Foreign Minister, has shown that nothing further can be achieved at this stage by another round of contacts. There would be little point in meeting Mr Yasser Arafat, the leader of the Palestine Liberation Organisation, just for the sake of it, until significant progress seems likely.

The second reason for Lord Carrington's caution on the Middle East peace process, on the part of the French President Francois Mitterrand, looks to a revival of the Camp David process as the best way of making progress. This view was certainly greeted with much pleasure by the Israelis, who have been very critical of the European approach up to now.

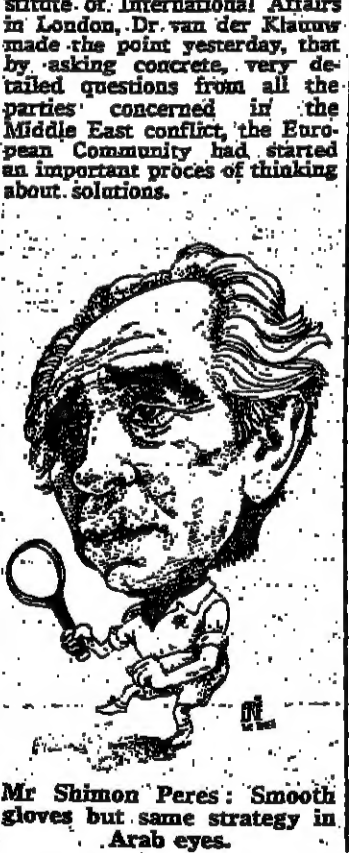
Indeed, Mitterrand resisted it is understood, any new condemnation of the Israeli attack on the Iraqi nuclear reactor being made at the European summit. Instead, the communiqué merely endorsed the United Nations resolution on the subject.

As for the follow-up by Lord Carrington to the Venice declaration, the communiqué speaks, somewhat curiously, of elaborating further possibilities "through internal reactions". This appears to be a diplomatic way of saying, "Think again".

However, Lord Carrington does not intend to give up the search for a Middle East settlement during his presidency. But he has drawn the conclusion that the conditions are not exactly favourable right now for making an effective European contribution. When the dust after the Israeli election settles, there may be a chance to try again. The European-Arab dialogue due to be resumed next November could be a useful meeting point.

Addressing the Royal Institute of International Affairs in London, Dr van der Klause made the point yesterday, that by seeking a very detailed questions from all the parties concerned in the Middle East conflict, the European Community had started an important process of thinking about solutions.

Mr Shimon Peres: Smooth gloves but same strategy in Arab eyes.



Arrigo Levi: A personal view Begin rides high on a wave of nationalism

The remarkable recovery of the Labour alignment in the Israeli elections, after its poor performance four years ago, cannot obscure the importance of the fact that the Likud coalition of Mr Menachem Begin, the Prime Minister, has increased its share of the vote by about 10 per cent.

This means that in a highly polarized political society Mr Begin is now at the head of a nationalistic movement of the right which must be considered as the second great party in Israel. It may never assume the structural force of the Labour movement, with its powerful union wing. But it has a new sociological basis in the Jewish Oriental electorate. It has an ideological foundation in the more nationalist wings of the Zionist and Jewish religious traditions, and it has in Mr Begin the only charismatic leader in Israel today.

Under these conditions, even though Likud (like the Republican Party in the United States) may remain for a long time the second party of Israel, it may win elections and form governments. At the moment, in spite of all the uncertainties of the Israeli political scene, which will allow Mr Shimon Peres, the Labour leader, space to manoeuvre, Mr Begin has the greater likelihood of staying in power at the head of his coalition with the religious parties, which represent Israel's third force.

Doubts remain as to the solidity of a new Begin coalition government. The unprecedented polarization of the Israeli electorate, which has almost wiped out most of the smaller parties, is a pointer to the existence of a deep division. This makes a "great coalition" of Likud and Labour almost impossible.

This split will not make the task of any government easier. If Mr Begin is in power, the future of his government will depend upon its policies. It would start by having to pay a lot for the dangerous, though electorally successful, easy-going economic policies of the last few months. Hyperinflation may be the price, and a costly one in political terms.

On foreign policy Mr Begin's obvious aim is for Israel to stay put, to maintain control for an indefinite period over the occupied territories: local limited autonomy under the Camp David agreement should never prevent further Israeli colonization. But how compatible is such a strategy with what Mr Begin sees as the two other main foundations of Israel's security, peace with Egypt and the American alliance? The stresses on both will be great.

Arab rejection of Israel's and later Egypt's policy of peace has given rise to the emergence of a nationalistic political force in Israel. During a second Begin premiership the fading of the Palestinians' hopes for self-determination will dangerously increase tension between Israel and the Arab world.

Mr Begin's relations with President Sadat of Egypt are bound to suffer greatly from such a situation. Even the distant American protector may become unhappy with Mr Begin's Israel, viewing such policies as a long-term escape route, unless the Begin government were to prove unexpectedly flexible.

Most political observers in Israel do not believe in this possibility, even though opposition pressure on Mr Begin may be greater—many Israelis are evermore aware of the need to reach an agreement with the Palestinians, for Israel's security.

But Mr Begin has left no doubt about his commitment to achieve complete control over Eretz Israel. His decision to give up the Sinai in order to "Eliminate Egypt from the picture" does not contradict his long-term aims; it was instrumental to the Israeli election victory. His policy has left no doubts about his long-term aims, while the attack on the Iraqi nuclear reactor has shown that Mr Begin's Israel wants to achieve the rank of a regional power as far as the Gulf, in an unprecedented way.

Such policies would keep the Arab-Israeli conflict alive, in a dangerous way. But it is unlikely that Mr Begin would change his strategy, even by so doing he was to bring relations with Egypt and the United States to breaking point. This would come about, but not necessarily soon and not necessarily before Egypt got back, in 10 months, the last of the Sinai. © Times Newspapers Ltd., 1981

Arabs feign indifference to Israel poll results

From Robert Fisk, Beirut, July 1

Arab countries purported to show little interest in the results of the Israeli elections today, either ignoring the poll altogether—like Saudi Arabia and Iraq—or merely reporting the inconclusive voting figures in brief news items.

The Palestine Liberation Organisation (PLO) continued to express its desire for a new government led by Mr Menachem Begin in the ground that his policies would be so detrimental to Israel's international standing that they would ultimately benefit the Palestinians.

Confronted by a democratic election that has no parallel in the Arab world, several Arab states also took the view that the results were irrelevant. In Kuwait, for example, the daily newspaper *Al-Rai* said that "the outcome of the election will only lead to more aggression against the Arabs and the loss of additional Arab territory and more Arab humiliation".

Peres the Israeli Labour leader is no less aggressive than Begin, though he is a more skillful deceiver and covers his face with cosmetics and wears smooth gloves as opposed to the direct and clear "casted" of Begin."

The winner of the election, the paper said, would still use "sophisticated American weapons to chase Arabs everywhere".

In Amman, Mr Basam Shakas, the Palestinian Mayor of Nab-

NIGERIA'S NUCLEAR AMBITION

Nigeria, a country rich in oil, is embarking on a nuclear programme. In a speech on National Energy Day Alhaji Mohammed Hassan, the Minister for Mines and Power, said that this would ensure "the continuation of our life as a nation and provide a sense of security for our people and property."

The minister's statement did not seem to indicate what sort of nuclear programme his government had in mind or whether it would be exclusively peaceful. Explaining that Nigeria, a signatory of the nuclear non-proliferation agreement, was dismayed by the fact that several of the other influential signatories were not only promoting nuclear technology but also trading in it, he said Nigeria had no alternative but to join the club of nuclear speculators.

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DAILY STAR READER PROFILE

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MICHAEL FOOT
Leader of the Opposition

STAR

In a year, Daily Star sales for June '81 have soared 48% to a record breaking 1,585,000 copies a day - up 134,000* copies over last month.

BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER

*Subject to audit

Polish economic ills overshadow Comecon summit

From Dossa Trevisan, Belgrade, July 1

Prime Ministers of Comecon, the Communist economic group, begin their annual conference tomorrow in Sofia with Poland's crisis representing the biggest problem the organization has been faced with in more than three decades of existence. Mr. Nikolai Tikhonov, the Soviet Prime Minister, will lead the Soviet delegation.

Poland's problems have added to the difficulties all the members are having with their own economies. Growth rates have slowed down for the past few years, and are now reaching their lowest since the industrialization programmes after the Second World War.

Neighbouring countries which depend heavily on Polish industrial raw materials have suffered from Poland's inability to meet commitments. Poland failed to deliver almost £20m worth of coal, sulphur and machinery last year, and this year, the situation is even worse.

The agenda is expected to include Comecon's integration plans, where supply and delivery of raw materials and joint investment are coordinated, but again are being delayed because of the Polish crisis. It will also include trade relations which Comecon countries are now anxious to put on a new footing, as practically all trade is done by negotiated agreements.

The trading system is threatened as Poland's failures have forced the countries to seek substitutes elsewhere, which are more expensive and mean hard currency spending.

But Poland is not the only reason for Comecon's lack of integration as member-countries failed to reach a consensus last year, in Prague.

Poland's heavy indebtedness to the West will also loom high on the agenda of the meeting, but it is not likely that the member-countries can do much to help. Nevertheless, it is expected that some kind of joint assistance programme might emerge from the meeting to see Poland over the first difficult stage.

Discussions on the present price system have also been

Japan likely to snub US over secret devices

From Peter Hainhurst, Tokyo, July 1

Japan is expected to refuse to supply its main ally, the United States, with advanced technology and electronic equipment which is required to improve American military weapons.

This became apparent today after officials in Tokyo reviewed an American request for Japanese technology and electronic devices which the United States wants to incorporate in precision guidance systems for missiles and other weapons.

At the same time, the Pentagon has urged Japan to enter into a joint venture under which Japanese industrialists will develop and manufacture weapons for the United States.

But officials told me today that Mr. Zenko Suzuki, the Japanese Prime Minister, is likely to turn down both requests.

Under the terms of our post war peace constitution, Japan is prohibited from possessing or manufacturing weapons which can be used for offensive purposes. We are also strictly prohibited from exporting weapons abroad, an official said.

According to American diplomats in Tokyo, Japan originally developed its technology for electronics and precision equipment under licence from the United States.

But in many areas we find that Japanese technology is now superior and the finish and accuracy of their mass-produced equipment is superb, an American diplomat said.

Both Japanese and American officials said the request had originally been submitted by American diplomats in Tokyo, but the subject was raised again this week when Mr. Joffi Amura, Director-General of the Defence Agency, met Mr. Caspar Weinberger, the American Defence Secretary in Washington.

Although Japan has banned industry from exporting arms in any form to the United States, it has been using Sanyo video cameras to guide its missiles.

Japanese officials said the American request has placed Mr. Suzuki's administration in an embarrassing position at a time when President Reagan is attempting to persuade Japan to spend more on defence and take a greater responsibility for the security of north-east Asia.

At present Japan outlays the equivalent of 0.5 per cent of its gross national product on its armed forces and has been accused of enjoying a cheap ride on defence under the United States nuclear umbrella. The country has agreed to increase its defence budget by 7.5 per cent this year. But a spokesman for the government admitted today that senior officials in the Pentagon remained dissatisfied with the low level of Japanese defence spending.

However, Mr. Kiichi Miyazawa, the Chief Cabinet Secretary, made it clear today that the government does not intend to step up defence spending this year. "Considering the fact that the budgets of all ministries, except defence, were trimmed this year Japan has nothing to be ashamed about. The United States is making unreasonable demands and we cannot accept them," Mr. Miyazawa declared.

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Larger than life: a statue of the Pope, who was formerly the Archbishop of Cracow, being unveiled in Tarnow, in the Cracow region of Poland.

Basques and Catalans boycott pact meeting

From Richard Wigg, Madrid, July 1

An attempt by Spain's two largest parties, the ruling Centre Democratic Union (UCD) and the opposition Socialist Party, to push through a pact setting the powers and areas of 16 future autonomous regions is running into growing problems.

Today, the Basque Nationalists and the Catalan Regionalists boycotted a top-level meeting of the four national parties represented in the Cortes on the ground that they were not prepared merely to endorse weeks of negotiations between the big two. The chief ministers of the present two regional autonomous governments ignored appeals from Señor Leopoldo Calvo Sotelo, the Prime Minister, to send their party representatives to the meeting.

After the failed military coup in February, believing that Spain's top military men were against the autonomy process started by Señor Adolfo Suárez, the former Prime Minister, the ruling party and the Socialists worked out a common strategy to curb a growing transfer of powers from the central Government to the regions, which was anyway to their disadvantage.

But the talks, first between the big two and subsequently widened to include the Communist and the conservative Democratic Coalition of Señor Manuel Fraga, Iribarra, have developed into tough bargaining behind the scenes about power as they lay the ground in the regions for the next national general election.

In September, 1983, President Franco held by the spring of 1983 but could well be brought forward to next year in view of the divisions in the ruling party over the new divorce law, and if the regional elections in Galicia this autumn are held in 1983, the ruling party will be forced to face a bad election.

Today's boycott by essentially middle-of-the-road Basque and Catalan parties produced a surprising ally when the Communists, led by Señor Santiago Carrión, indicated that they too are alarmed. They have only 23 deputies in the Cortes and no chance of forming regional governments, and are likely to be squeezed out by the two main parties each of whom has more than 100 deputies in the Cortes.

The Communists publicly accuse both the ruling party and the Socialists of seeking to organize the electoral systems in the new regions to divide power for the next four years. Galicia, the new region of Castilla-León, and Extremadura would be strongholds of the Centre Democratic Union, while the Socialists would dominate Andalusia, Asturias, and the two new regions of Castilla-La Mancha and Madrid which is to become an autonomous region as well as remaining Spain's capital.

The UCD and Socialist negotiators have gone so far in regions like Andalusia, Asturias, and Cantabria as to agree that the former will keep the rural areas and the latter the industrialized ones. It only remains for the voters perhaps one day to upset their plans.

Both the Basque and Catalan autonomous regional governments now hold that Señor Calvo Sotelo, despite his promises to them, has slowed down the transfer of powers.

Both in Victoria and Barcelona the autonomous administrations remain deeply suspicious of Señor Rodolfo Martín Villa, the Minister in charge of the Autonomy Process and former Interior Minister, believing that his efforts to establish conformity among the 14 regions to be set up will mean a reduction of the powers already transferred.

The mood has in fact changed with two government spokesmen this week openly accusing the Basques and Catalans of exceeding their legitimate powers under the constitution and promising new measures to uphold the dignity of the Spanish state.

Hu accepts blame for Mao errors

From David Bonavia, Peking, July 1

Mr. Hu Yaobang, the new Chairman of the Chinese Communist Party, today accepted the blame, on behalf of himself and his colleagues, for having allowed Mao Tse-tung to perpetrate serious political errors for 20 years towards the end of his life.

He told a mass rally in the Great Hall of the People: "We veterans who had been working together with him for a long time as his comrades-in-arms, or who had been following him in the revolutionary struggle as his disciples, are keenly aware of our responsibility in this matter, and we are determined never to forget this lesson."

The rally marked the sixtieth anniversary of the founding of the Chinese Communist Party. Apart from illumination of main buildings in Peking, no other public festivities marked the date.

Mr. Hu was named on Monday as party Chairman, while Mr. Hua Guofeng, Mao's nominated successor, was demoted to the post of the most junior of six Vice-Chairmen. It is widely expected that he will slip further into obscurity over the coming years.

Mr. Hu said that the party would now be able to "reach the South Gate of Heaven and then ascend the Peak of the Jade Emperor."

While the Chinese party remained loyal to Marxism-Leninism, Mr. Hu went on, their ideology "does not embrace all the truths in the unending course of human history, nor can it possibly do so. For us Marxists, the theory of Marxism is the guide to action, and by no means a rigid dogma to be followed unthinkingly."

Party leaders "must not put themselves in a special category just because they are in leading positions."

Mr. Hu told the rally that the Chinese Communist Party now had a membership of 39 million. "Our party is a great party of 39 million members and it is a party in power," he said.

Until now the Chinese Communist Party was believed to have 38 million members, half of whom joined during the now discredited Cultural Revolution from 1966 to 1976.

CHALLENGE OVER MAORI CARVINGS

The New Zealand Government yesterday won the first round of its legal battle for the return of valuable Maori carvings which it says were taken out of the country illegally (the Press Association reports).

Ownership is also claimed by Mr. George Ortiz, a renowned collector of Polynesian art, who was forced to sell off his collection in 1978 to pay a ransom for his kidnapped six-year-old daughter, Graziella.

But the sale of the carvings, which were expected to fetch £250,000, was stopped by the New Zealand Government.

In a trial of preliminary issues at the High Court in London yesterday, Mr. Ortiz challenged a claim that the Queen, as head of the New Zealand Government, was entitled to possession.

He also claimed that these New Zealand laws were unenforceable in England. But Mr. Justice Staughton ruled against him on both issues.

Mr. Ortiz is expected to continue his fight to regain the carvings, which are 150 years old and were found by a farm labourer in a swamp near Waitara, Taranaki province.

Brussels presidency a mixed blessing

From Michael Hornsby, Brussels, July 1

Britain today assumed the presidency of the EEC for the second time since it joined the Community in 1973. The British take over from the Dutch and will be in the chair for the next six months.

The presidency, which passes from state to state in alphabetical order, entails not only the chairing of the EEC's Council of Ministers in its various guises, but also the task of representing the Community to the outside world.

Thus Lord Carrington, the Foreign Secretary, will speak for the EEC on the basis of an agreed position, at the session of the United Nations General Assembly in New York in September.

Although the presidency confers some advantages on the incumbent, it also entails the right to draw up the agenda of council meetings, it also requires a combination of the roles of judge and advocate which can be embarrassing if important national interests are at stake.

This raises a question whether it will be either to Britain or the Community's advantage for the British to be in the chair during the crucial negotiations, which will get underway in September on the reform of the EEC budget and the Common Agricultural Policy.

For his part, Lord Carrington will be much concerned with promoting the EEC's new initiative on Afghanistan which has now unanimously taken precedence over the Community's traditional attempt to play a role in the Middle East.

The EEC's Middle East diplomacy has been running into the desert sands for some time, and now appears to have been dealt a final blow by the attitude of President Mitterrand of France, who made clear yesterday his support for the step-by-step approach of the American-sponsored Camp David accords.

Good oil offered for bad

From Harry Debelius, Madrid, July 1

Offering good oil for bad in an effort to halt the widespread use of adulterated cooking oil which has killed more than 50 people in Spain in two months and made thousands ill, the authorities collected 72,197 litres of suspect oil today, the Ministry of Labour, Health and Social Security reported in Madrid.

Housewives queued in 84°F (27°C) weather outside public health clinics in Madrid and other cities to turn in oil they had bought in adulterated containers and in most cases from door to door salesmen. One elderly couple who live alone handed in 70 litres which they said they had stored at home because it was cheap.

The ministry offered to trade the toxic product for genuine olive oil after public warnings against the use of the adulterated product failed to convince many citizens. A number of patients cured of what was at first incorrectly diagnosed as a mysterious pneumonia had to be readmitted to hospital after again using the toxic oil.

The number of patients in hospital suffering from oil poisoning is now 1,711 throughout the country and is declining. But the oil poisoning is not only for human consumption but even for making soap or for burning in lamps—continues to claim additional victims. Three more people died yesterday.

The mystery of what appeared to be an epidemic of atypical pneumonia was cleared up on June 15, more than a month after the illness was first observed in the Madrid area. At that time, the Government confirmed that tests and research led to the conclusion that the deadly oil—produced and sold clandestinely in bulk, which contained denatured rape-seed oil and other toxic elements.

South African Airways to recruit black hostesses

From Ray Kennedy, Johannesburg, July 1

South African Airways (SAA) the Government-owned national airline, is to train black women as air hostesses for the first time.

Mr. Hendrik Schoeman, the Transport Minister, announced in Pretoria that SAA had been given permission to recruit 25 black women for training. They will undergo the normal selection procedure which white women have to pass.

This includes a test of their ability to speak Afrikaans which is the main language of the country, but many blacks whose second language is normally English, Afrikaans is unpopular among young blacks and the enforced teaching of syllabus subjects in Afrikaans was one of the basic causes for the Soweto riots in 1976.

It is known also that SAA, like many other airlines, has had difficulty in recruiting cabin staff for a job which, particularly on domestic routes, in which wide-bodied aircraft are increasingly used, is no longer considered to be very glamorous.

Nevertheless, Mr. Schoeman said the black recruits would be treated like everybody else. He said: "There will be no discrimination on the basis of colour, race or a woman's colour, rather on her qualifications."

His statement has been widely welcomed. Mr. Ray Swart, spokesman on transport for the official opposition Progressive Federal Party, said it was high time that SAA aircrews reflected the true character of South Africa's population without any artificial barriers.

But Mrs. Ellen Khorwayo, the only woman member of the Disenfranchised Community Council in Soweto, said the move was overdue and he thought the minister should be commended.

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Death of a New York jobhunter

From Michael Leppman, New York, July 1

The terrifying and finally fatal odyssey of a young visitor to New York highlights again the random perils of this fearful city. Yesterday police stitched together the dreadful last hours of Mr. Gerard Coury, a graduate from Connecticut, who died at the weekend after leaving his job to go to an underground railway line.

Mr. Coury had come to the city on his way to Washington, where he was to be interviewed for a job in a restaurant. He had to change trains in New York.

On Friday evening he telephoned his mother from a police office at Grand Central Station in extreme distress. He had, he said, been robbed of his money, luggage everything he owned except his trousers.

His mother told him to wait while she arranged for him to be sent money, or for somebody to pick him up. He was last seen by a policeman in the waiting room at 11 pm. The policeman gave him a message to keep on waiting.

Police clear Grand Central Station and lock it soon after 1 am, but it is not known at what time Mr. Coury left. He was next seen at dawn a half mile away, running along Eighth Avenue towards 42nd Street, the heart of the city's crime, vice and drugs district. By now he did not even have any trousers.

A crowd of about 20 street people seemed to be chasing him, witnesses say. They threw bottles and rubbish in his direction, shouting taunts and insults. Police do not know how he became involved with the mob or how he lost his trousers.

Naked, he ran into an underground station, where police tried unsuccessfully to stop him from jumping a turnstile and getting on to the platform.

There, he touched a live rail and was apparently electrocuted, although doctors say he could have died from heart failure brought about by sheer terror.

Before they pieced together this horrifying tale, police had believed the victim to be one of the thousands of vagrants who haunt the streets of New York. They thought he might be mentally defective.

His brother Charles said: "He was a good kid, but whether or not after being accosted, beaten, stripped and abandoned in New York City he was in control of his faculties, I could not say. I certainly would have freaked out after that."

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DISPUTE OVER 'RIGHT TO TRAVEL'

From Nicholas Hirst, Washington, July 1

A constitutional dispute is brewing here over the right of Americans to travel abroad after a Supreme Court ruling involving Mr. Philip Agee, the former CIA man.

Mr. Agee gained notoriety by revealing the names of former CIA spies and with Mr. Mark Rosenblatt was asked to leave Britain having been accused of activities damaging to British security.

The Supreme Court decision earlier this week reaffirmed the right of the Secretary of State to revoke a passport if it was supplied to someone whose presence abroad is likely to damage international security or American foreign policy.

Some lawyers are claiming that the scope of the Supreme Court's decision is far wider than that intended by the court. Professor Laurence Tribe, of Harvard University, said that the court had "left a loaded gun" aimed at free speech and travel.

Mr. Floyd Abrams, who has sued the government for allowing its spies to spy on Americans in cases involving free speech, said: "The sweep of the decision may be such as to encompass far more than errant CIA agents."

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£250m AIRPORT FOR SINGAPORE

Singapore-Lion and Flag

dances officially opened the new international airport at Changi, a vast complex, ranking with Tokyo's Narita, as Asia's largest.

It cost £250m and took six years to build. The five-storey terminal building has a floor area of 265,000 square yards and can handle 10 million passengers a year.—Reuters.

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Crisis ahead for Costa Rica

From Stephen Downer, Costa Rica

ing slums surrounding San José, democracy will be questioned in the near future.

Poverty is increasing because the economy has not grown. The distribution of income has deteriorated, mainly because of inflation.

Government officials blamed Salvadoran guerrilla sympathizers for one of the recent attacks, which injured three United States Embassy Marines.

The liberal-conservative Government of President Rodrigo Carazo Odio, which gave diplomatic support to the fight against Anastasio Somoza, President of neighbouring Nicaragua until 1978, has given no such encouragement to the revolutionary movement in El Salvador.

Señor Carazo, in fact, seems determined to maintain the status quo until his term as President ends next year.

Señor Heredia Saez, the Finance Minister, resigned from the Government in April because of what he saw as the President's abandonment of the beginning of economic restructuring.

Among

THE ARTS

Dance

Anelaborate but litral ballet

The yal Ballet end their season at the Metropolitan Ope New York, this week, before moving on to Tor.

CyBarnes reports on the American premiere of Keth MacMillan's Isadora

Keth MacMillan's *Isadora* is extraordinary — it is extraordinary in almost every way. It is a grand failure one would expect to have to have a cheap

adova, which was given its premiere at the Metropolitan Opera House this week, is the first in MacMillan's narrative ballets that began with *Anastasia* and continued with *Mermaid* and *Apollonia*. They are all fundamentally theatre pieces. They all concentrate on a woman — possibly *Isadora* was an exception there and they all put far more emphasis on drama than on dance.

This is almost a tradition of British Ballet. Choreographers such as Robert Helpmann, John Cranko and Peter De Vries, have all emphasized drama more than dance. So *Isadora* should not really surprise anyone — even if it does not actually excite anyone.

MacMillan planned *Isadora*, I suspect he meant it as a vehicle for his favourite ballerina, Lynn Seymour. This did not work out, but the irony is that Frederick Ashton years ago gave Seymour a Duncan solo that so totally recalled the pictures of Duncan, that in a brief three or four minutes Duncan came alive. In *Isadora*, Duncan dies with MacMillan's ballet.

It is all so elaborate and so literal. It has, I understand, been considerably cut from its London version a few weeks ago, and people tell me, much improved. Yet the ballet still does not work on any theatrical level.

Also for the first time, MacMillan is using a totally original full-length score by the composer Rodney Bennett. This is both rare and brave. The music, as one might expect from any knowledge of the composer, is simply clever pastiche, a collage of sounds struck on a palette of exotism. But it is not all that bad. Bennett is a very effective contemporary composer des-

American ballet stars at Sadler's Wells

Martina Van Hamel, Kevin McKenzie and George Christ will be among the dancers appearing with Ballet Stars of America during the American dance season at the Sadler's Wells Theatre. Among the works in their two programmes will be

the world premiere of *Passage*, choreographed by Christian Holder, works by Balanchine, Cranko and Tudor, and *Percussion IV* from Bob Fosse's musical *Dancin'*. The Ballet Stars will be appearing from July 6 to 11.

Gallery

Oskar Kokoschka Memorial Exhibition

Marlborough Fine Art

Among the most distinguished of the artistic exiles from Hitler's Germany to end up on these shores, Oskar Kokoschka spent 15 important years (1938-1953) of his long life here, became a British citizen and maintained close contact with Britain right up to his death last year, at the age of 94, in the select but not comprehensive memorial show his London gallery, Marlborough, have now put on (until July 31). Britain bulks large — especially in the views of the Thames he painted in the 1930s, mostly after he had moved away.

And yet there is something very clearly forbidding us to annex him to British art. First, we are likely to notice that the brilliant colours, and the fast, nervous brush-strokes with which they are applied, do not seem to correspond to any London we know, even in the general imaginative way of the French Impressionists and Fauves who treated the same subjects. Next, we notice that the feeling and the vision are almost exactly identical whether Kokoschka is painting Vienna or Prague before the war, or Switzerland or (stunningly) Downtown Manhattan 20 years after. In other words, though Kokoschka seems at first to be a very extrovert, outward-turning artist, responsive to the world around him, when it comes to the point he is another of those who, in a way, carry their homes around with them and reinterpret everything in terms of their own inner vision.

Once we appreciate that, we are in a better position to evaluate Kokoschka, or at least to evaluate our responses to him. I have never been very fond of Kokoschka in ones and twos, but I have to admit that he looks far more compelling as a masse (even such a relatively modest mass as this). The

gradual progression in the self-portraits which fill the ante-room is fascinating to behold, even though I persist in liking the earliest (1923), painted in flat blocks of vibrant colour, the best. Other early works, such as the brooding *Lac Lemán* of 1924 or the crisply drawn *Car of 1930*, have the same sort of quality, and it must be said for his rather wispy, romantic portrait of the unspeakable Alma Mahler (c 1912) that, while noticeable on the sinister side, it does give one some faint notion of what all those grand artists saw in her.



Oskar Kokoschka self-portrait

As we move into the 1930s Kokoschka finds his mature style and sticks to it thereafter. True, everything is ruthlessly shaped in the same stylistic mould, and yet monotony is avoided: one develops a strange fascination in seeing exactly how it works, how very tiny, incidental variations distinguish a view of Istanbul from one of Chelsea Reach. And there is always, too, always an infectious delight in the sheer handiwork of painting. The full-scale retrospective which must be somewhere impending should be revelatory.

John Russell Taylor

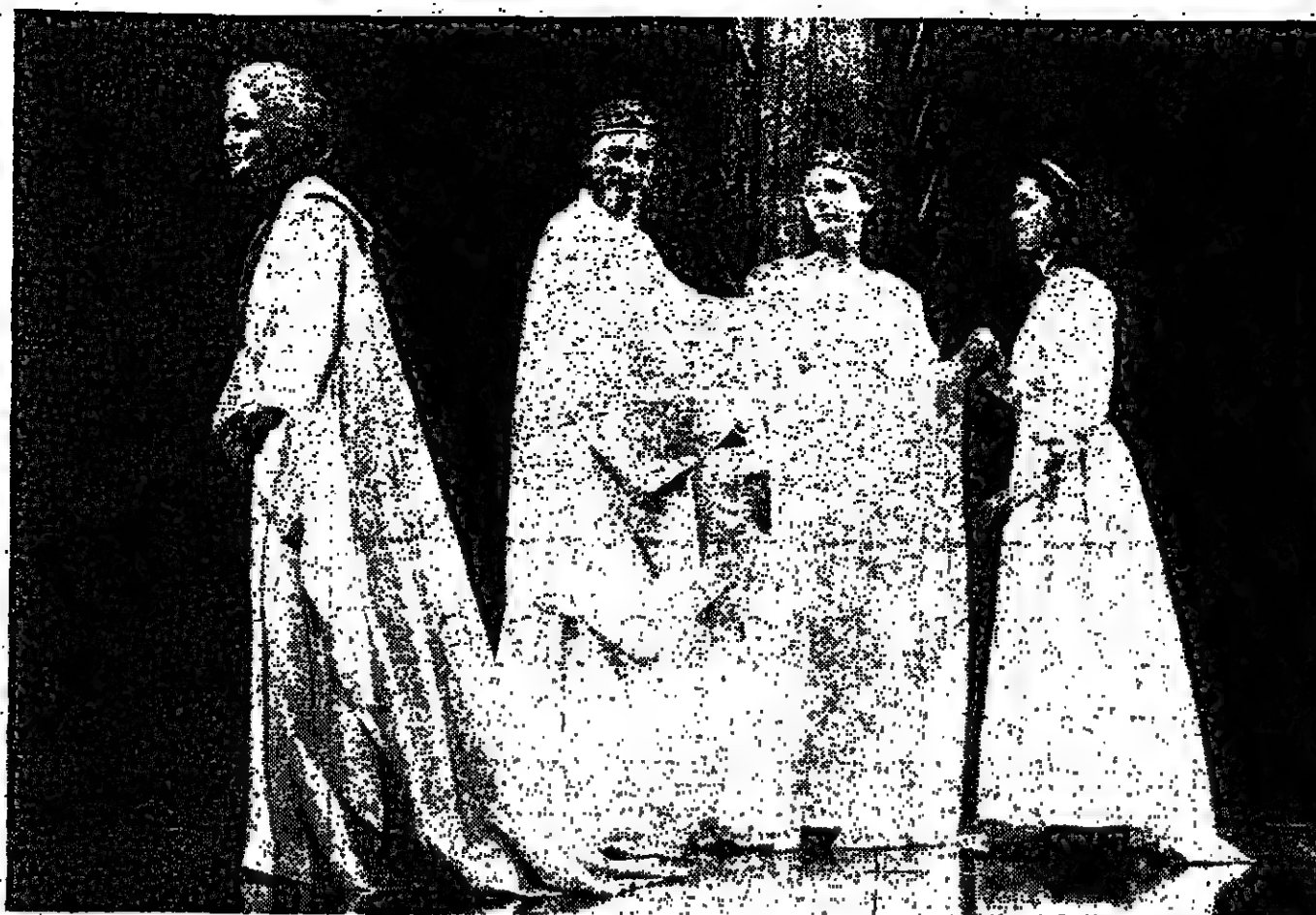
Richard O'Brien, author of *The Rocky Horror Show*, will lead the cast of *Eastward Ho!*, the opening production at the rebuilt Mermaid Theatre. A musical by Howard Shuman, Nick Bicar and Robert Chertwys, based on the Jacobean comedy, it opens on July 7.

Karlheinz Stockhausen will be the special guest at next year's Dublin Festival of Twentieth Century Music, where he will conduct the RTE Symphony Orchestra in his *Inon*. New works at the festival, from January 6 to 12, will be provided by Brian Beckett, David Byers, Brian Boydell, Philip Edmondson and Jerome de Bromhead, while other composers featured include Ligeti, Kagel, Henze, Xenakis and Lutoslawski.

Two of Britain's leading young cellists, Robert Cohen and Julian Lloyd Webber, will appear as soloists at the 1981 Schools Prom concerts at the Albert Hall from November 23 to 25. More than 1,000 young musicians, in ensembles ranging from jazz groups to symphony orchestras, will be playing at the Proms. Another professional joining the young performers will be the jazz trumpeter Humphrey Lyttelton.

A new play by Edward Bond, *Restoration*, his first musical, opens at the Royal Court on July 21. Set in eighteenth-century England, to music by Nick Bicar, the comedy is directed by the author with designs by Hayden Griffin and Gemma Jackson. The cast is led by Simon Callow and Irene Handl.

Theatre



Sheila Hancock (left), Patrick Stewart, Gemma Jones, Leanne Mellinger

Lighting changes help transform actions into dreams

The Winter's Tale

Stratford

"Your actions are my dreams" exclaims the deranged Leontes to his falsely suspected wife, thus supplying the clue for one notable Stratford version of this play in which the conflicting realities of the jealous husband and innocent wife were signalled by reversals of lighting.

Ronald Eyre's production is also emphatically punctuated with light changes; the different scenes being lit to underline main turning points in the plot. There is an awesome blackout when Leontes rips up the oracle's message; another when Antigonus consigns the baby to the wilds of Bohemia; and meets the giant bear in a flash of lightning. If there is one point Mr Eyre wants to get across it is that Leontes has offended the Gods.

It is of no help to *The Winter's Tale* to launch it in the manner of a Greek tragedy, for the simple reason that this draws even more attention to the arbitrary character of Leontes's jealousy. If Apollo is punishing him for an act of

injustice, what rival deity spurred him on to it in the first place? Neither Shakespeare or Mr Eyre has any answer to this and when the fatal delusion first grips Patrick Stewart it is as though he is having a heart attack.

He gulps for air, loosens his clothes, his arms flail and when he regains equilibrium, his frank smile is replaced with a smugly poisoned mask.

As I hope these details begin to convey, this is a fascinating and grand-scale performance. Mr Stewart is an actor who excels in representing sickness. In this case, he begins in a state of exultant good health, blowing his own trumpet in the opening pages, playfully twisting Polixenes's arm in hospitable persuasion, and expressing all of his affections in boyish physical contact, the first sight of what is to come appears when he is lying at Hermione's feet, his face staring out from under a stone in the midst of the surrounding gaiety.

One the person dies bite into him it immediately affects his physique. His walk becomes shaky, his gestures uncoordinated, his bearing as a heavily unsmiling Autolycus. First scene posing as a scarecrow in flight from a vengeful crowd, and later turning up at the

shirt and breeches for a nightgown. And when we see him at the end of the 16 years, penance, he is almost unrecognizably altered into a feeble, unshaven, reclusive with delayed responses and cracked delivery of senility. The part is stretched to its utmost limits, and in point of delivery, it works wonders in finding fresh, just inflections, and moments of appalling power.

The rest of the show has small purpose except as a protest for this performance. Its other virtues are matters of passing detail. Mr Eyre is always quick to snap up chances for fun in a tragic context, as where three male couriers silence Leontes's threats to kill the supposed bastard for fear he may wake the baby up; and in all the heaping side effects of Sheila Hancock's nobly indignant Paulina. Geoffrey Hutchings also gets his fair quota of laughs from an unusually unsmiling Autolycus. First scene posing as a scarecrow in flight from a vengeful crowd, and later turning up at the

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Lyrics of the Heartside

Arts

George Eliot

Soho Polytechnic

The best part of the first half of *Lyrics of the Heartside* is that it makes way for the second half. It may have taken Joseph Myddell as much thought and research to put together the first half, but it does not show. With access to all Paul Laurence Dunbar's poems and letters, he does nothing more than make a quick survey of Dunbar's attitudes to his American life, summarising his reactions to the War between the States, to black life in the South and in the North — and read well and sagaciously dramatic a selection of writings that illustrate those attitudes.

Mr Myddell is considerably more successful in the second part. He takes hold of the material in a finer spirit, and connects it so that it tells something of the man in the actual context of his life. Where he begins with simple performances of the material, no more genuinely informative than any reading might be, he touches the spirit of Dunbar after the interval.

Dunbar, born in 1872, was virtually the first black American poet of real international note. His lyrics frequently sang with rhythms that still escape most white writers, and his influence extends now to jazz singers, such as Oscar Brown Jr. and to Stevie Wonder. Mr Myddell links those rhythms to his performance with stylish assurance once he stops cataloguing Dunbar's life and gives it a context. The context is

finally a happy one for London, revealing Dunbar's reactions to being lionized by British society while still only 25.

That context could make the show a success if London was given to supporting acts that are distinctly "off-Broadway", that aim to find and entertain their natural audience for a packed limited season. London is not noticeably good at that, but there should certainly be an audience that would applaud the obvious rich talents of Mr Myddell at the Arts Theatre.

When Verity Barge was interviewed by Melvyn Bragg on television, shortly before her death, he commented on the number of women writers she had encouraged at the Soho Poly and waited for his response. It was typical that she found it too obvious to be commented on and pushed on to the next subject.

The policy there has always been concerned with fostering talent wherever it was found. There are still many traces of her influence in the programme, yet Margaret Wolfitt's television play more like a lengthy response to Mr Bragg, detailing the minute struggles of being a woman and being an artist.

Mrs Wolfitt, like Mr Myddell, attempts to reveal the life and reveal the artist, reading from letters and reading from the books. Her portrait of George Eliot does not even give life to the books achieved by the Myddell awakens the poems, and her steady insistence on biographical data, verbal footnotes such as those identifying Eliot's lower George Henry Lewis, gives it the quality of a lecture. It does eventually become a pleasant lecture, but why Richard Digby Day takes credit as a director, I cannot imagine.

Ned Chaillet

Concerts

Salomon Orchestra

St John's

There is something in professionalism that can easily take away the thrill of a pursuit, for which on occasion we may be heartily grateful. Nobody wants an excitable doctor. But it is refreshing to meet an orchestra which custom has not staled and yet which does not make of enthusiasm an excuse for incompetence. The Salomon Orchestra is one such. They take their members from among the many excellent instrumentalists who have chosen to make their careers outside music, and they meet sporadically for crash courses leading to public concerts like the greatly enjoyable one they gave last night.

An orchestra which takes its name from the eighteenth century Impressionist might be expected to specialize in Haydn, but the Salomon prefer music that gives everybody a good time. Here they began with two full-blooded pieces of love music, Dvorak's *Obtato* overture and Wagner's *Wendgung*. Then, then completed their programme with Prokofiev's Fifth Symphony, the noisy and jubilant Prelude to Victory he composed in the summer of 1944.

The vitality of the music making, the sense of people enjoying themselves at their tasks and savouring every moment, made it impossible to ignore any detail of the

performances. Time and again I was struck by the silver clarity of the woodwinds ensemble, by the exuberant confidence of the brass, by the astonishing range and exactness of colour and dynamic achieved by the strings. In the Dvorak and Wagner works, particularly, so much was happening and happening with such passion, that one might almost have been listening to Schoenberg. And for unbelievers I should perhaps add that this is intended as a compliment.

No less rare was the sensitivity and trust with which the players listened to each other. In the Dvorak and Wagner works, particularly, so much was happening and happening with such passion, that one might almost have been listening to Schoenberg. And for unbelievers I should perhaps add that this is intended as a compliment.

No doubt much of the credit for this, and for the liberating discipline of the playing throughout, must go to the conductor Howard Williams.

The other professional participant was the soprano Marie Hayward Segal, who looked like Birgit Nilsson in her prime but sounded even more powerful. Her voice still in its Siegfried phase. As yet, too, she has little personality of her own, playing safe with traditional approaches to climaxes and cadences, though her singing was always appealing and quite faultless.

Paul Griffiths

Sena Jurinac

Wigmore Hall

Although it is a while since Sena Jurinac last sang in opera here, her London public is faithful, enthusiastic, and numerous. She was seen and heard when she gave a recital, with Geoffrey Parsons as her pianist, last night.

The repertoire of her programme abounded in interest. There were three early Weber songs, one of them the charming, rather Wagnerian, "Bride's prayer on the eve of marriage" (much on the lines of "Oui, d'emain" in *Fre Diavolo*). Her Brahms group included the famous but rarely heard "Regenlieder". There were groups of songs by Mendelssohn and Reger, each with its share of diversity and distinction, as well as some favourite Schubert and Richard Strauss. She began, in English, with Dido's Lament from Purcell's great opera — clear, appreciative English too.

Jurinac is still singing opera, particularly in Vienna (she recently appeared there as Kostelnicka, Feldmarschallin, and the Ariadne boy-composer) nearly 40 years after her debut at home in Zagreb. There is plenty of voice, in all registers, only one wobbly note (twice) in a recital lasting over two hours, some dubious intonation, admittedly, but because she was singing out, indeed "biffing" with her voice. The lustrious, peaceably vocal quality that conquered us in 1947 at Covent Garden, with her Cherubino and Dorabella, has changed over the decades: it is still occasionally audible as part of the mature

soprano known from her Fidele and Marie Therese of more recent years.

In German song she does not create instant atmosphere, fresh and unique, every time, as the greatest Lieder-singers do. There is always shy, gentle charm, a lovely personality when words and tone and artistry all combined, as in Brahms's "Von ewiger Liebe", one realized what had been missing earlier. The clinching last verse of Strauss's "Georgine" was marvellously felt and projected, likewise the whole of "Zueignung", with a clean, open, ringing, thrilling top A in the penultimate line.

The best was to come. For her first encore she announced "I hope you recognize", and then sang "Da geht er hin", the Marchallin's monologue from her *Requiem*. With a delicious chuckle at "Die alte Frau", indeed with something distinctive, or simply just right, in each cherished phrase. Brahms's *Meine Liebe* is now crowned with ardour. Schubert's "An die Musik" was sung with almost violently possessive intensity, uncommon and moving. Then she closed the piano lid, picked up one of the many bouquets, and waved goodnight.

Writing last week from Alderbury about George Benjamin's "A Mind of Winter", I praised the soprano soloist, but looking at the advance syllabus and not the programme book, identified her wrongly, she was Teresa Cahill, and I apologize objectly to her and all readers for my stupid mistake. Last night's singer, I promise you, was Sena Jurinac.

William Mann

Cinema

John Ford, a monster of acute sensibility

About John Ford by Lindsay Anderson

Piccus, £12, hardback; £5.95, paperback.

Almost 30 years ago, when it was not usual to acknowledge artistry in directors who worked in the Hollywood factories, Lindsay Anderson caused a certain shock by describing a film by John Ford which he was reviewing as "Shakespearean". Since then he has not compromised his esteem. Ford is still "one of the great poets of humanity in our time" and his book *About John Ford* leaves no room for challenge.

Anderson's admiration of the artist was often severely tested by his meetings over the years with the man, for whom words like "unpredictable" were also gathered inadequate. He recalls, for instance, an incident in 1957 when he shyly showed Ford one of his own early films, *Every Day Except Christmas*. Ford behaved disgracefully, talking throughout the screening, asking foolish questions, acting up worst at the moments which were most obviously the homage of the young director's veneration and study of his own work. "Ford let up for a moment. The accordion music was gentle, the camera moved dreamily over flowers and tilted up into darkness. A moment of dream. Ford smashed in with a knockout blow: 'When do the fish come in?'"

This was pure malice, not insensitivity. Was it some strange professional resentment? Or a test of the disciple's love? The love survived it. Anderson's book is perhaps without parallel as the tribute of one film maker to another.

Ford entered Anderson's life in 1946 when he was 23 and (ignoring the advice of the then *Times* critic that it was the "graveyard of mediocrity"), went to see *My Darling Clementine*. He discovered a magic that emanated from "some kind of moral poetry".

The process of discovery of discovery is supplemented and commented by later experience, rediscoveries, reconsiderations; and a meeting with Ford, to the last visit, six weeks before the end from cancer, when Ford was past pretending that their often abrasive communications over friendship.

The peculiar method of *About John Ford* succeeds in conserving the continuing excitement of revelation. In the middle fifties Anderson "laboured mightily" over a monograph to be published by the British Film Institute. The work reached galleys, but then money ran out, and for a quarter of a century Ford was laid aside. Now, along with the correspondence Anderson had at the time with Ford's writers, Frank Nugent, Dudley Nichols and Nunnally Johnson, it provides the centre of the new book.



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He was a most elusive man. Few of the close collaborators whose testimonies appear in this book seem to feel they ever knew him well. He was a monster, no doubt, using every means — blustering, bullying,

tears, wheedling Irish charm, foul-mouthed roistering — to dissemble the acute sensibility which the films cannot conceal. Also, no doubt, to manipulate the people around him, without principle, for the purposes of his creation. What purposes they were, and how fine at their best, the still photographs in this book serve to illustrate.

Anderson spends some time upon Ford's fortunes at the hands of his critics, particularly the exponents of the critical systems that came into vogue in this country and America in the seventies. Ford's grandeur tended to elude the machinery of

rigid critical theory so that the critics of this period were inclined to prefer, perversely, the films of his decline, which could more readily be categorized.

"They are not too wise for his simplicity", Anderson concludes. "Merely too clever". For his own part, after these 35 years, Anderson has begun to see through the paradoxes, finding the answer perhaps in the epigraph he takes from Amiel's *Journal*: "Quand on veut respecter les hommes, il faut oublier ce qu'ils sont et penser à l'idéal qu'ils portent caché en eux".

NEW BOOKS

Auden: butterflies from the dung-heap

W. H. Auden

By Humphrey Carpenter

(Allen & Unwin, £12.50)

Auden was against biographies of writers: they were in bad taste. By most standards, Auden himself was in bad taste. He misbehaved and was insufferable even to his best friends from his Oxford days on. Staying with the family of one of the precious Christ Church set, A. S. T. Fisher, he wrote a letter of "sex and manners" to his friend, "showing a complete lack of attention to his neighbours' needs". At the Isherwoods' he was "scattered" from the shelves of books on the floor, unconscious of Christopher's irritation. He got no better. On a later occasion he unrepentantly burnt a grove on a Basil Wright's baby-grand with his cigarette. "It doesn't alter the tone," pouted Auden. He regarded peeing in the sink as a "male privilege", boringly and repetitively saying:

Apart from all this, he was a predatory homosexual of the first order with, no doubt, John Layard's shooting of him lying somewhere on his conscience. He fell in love with all sorts of boys and men, and the attentions, whether "Princeton First-Year" or naval "plain-sewing", of John Pudney, Richard Crossman and many another gay young thing. He was a constant presence at the gay Corner in Berlin, a city which he described as a "buggers' daydream": it boasted 170 male brothels. His hedonism later "brought out" Benji Britten. In

addition, there was his anal fissure to contend with, remembered in "Letter to a Woman", and pornographic poems such as "The Platonic Blow" which once written, though privately circulated, were difficult to keep from the public eye. He was not a very pleasant character: an exuberance and liability as a house-guest with his eye on your curtains for a bed-cover, and vodka bottle. It is just possible that the reading of this biography might diminish the man's poetry. Yet Hugh of Lincoln's lyric voice sounded from the middle. Auden's does much the same; and, of course, there is infinite sadness in the lonely plight of an ageing poet. Despite his protestations to the contrary, his final years were not happy ones. He aged rapidly, was tediously repetitious, and trying to eccentric. He had a "dark, chain-smoking, Robert Craft thought he looked like a blind beggar or a jazz musician. Christ Church, which Humphrey Carpenter describes as being like an angel, latterly bore its cross valiantly. Auden had not turned out to be his Morgan Forster.

Butterflies fluttered up from the dung-heap of his life. "Beaux Arts", "In Memory of W. B. Yeats", "The Shield of Achilles", Eliot charted his progress. Preserved with Auden's poems in 1927, he wrote, "I do not feel that any of the enclosed is quite right, but I should be interested to follow your work". He worried about his "moral principles" and about his metre. In Auden's thinking, poetry was not to be taken too seriously, "poetry makes nothing happen", and he believed in the poet's right to

constant revision adopting Valéry's dictum, "a poem is never finished, only abandoned". There can be no doubt that this is a brilliant biography, as nearly definitive as it can be at the moment. Humphrey Carpenter wrestles with all the major problems presented by Auden's life: his homosexuality, his migration to America just before the war, by his marriage of convenience to Erika Mann, "nine-tenths a man" according to Basil Wright. Auden invited and received great contempt for going to the States. Cyril Connolly, less vicious than Auden, wrote that Auden and Isherwood "ambled" through young men "who had 'an eye on the main chance'". Carpenter's great credit, he gradually gained the confidence of Auden's friends on his death: the poet had instructed them to burn all his surviving letters, but few did. It is a remarkable achievement, which gets right behind the "smoky" music Robert Craft described Auden's face in 1954 as having, "the craggy face of an Old Master". There was keen competition for the best description won by the poet himself: he saw it as "a wedding-cake left out in the rain".

Auden's was a smirched, sad life beautifully memorialised in Spender's recent poem "Auden's Funeral". His beloved Chester Kallman, "Chester, blessed on your lips", found Auden did not die in bed; ironically Auden liked to think of himself as "one of those persons who generally look like an unmade bed". The shambles of his life are survived by his poetry, a way of happening, a mouth.

Brian Martin



Drawings of Auden made on the last night of his life by the Austrian artist Anton Schumich, at the poetry reading in the Palais Palfy, Vienna, September 28, 1973.

The creative impulse

Remembering Britten

By Alan Blyth

(Hutchinson, £7.95)

By Christopher Headington

(Eyre Methuen, £6.95)

Four and a half years after the composer's death, the time is obviously ripe for a good crop of little Britten books: this pair brings the total so far this year to four. But Alan Blyth's collection of memoirs is opportunity only in the best sense. While remembrance is still relatively clear, he has caught the impressions of Britten as man and musician on 30 people who knew him well, whether as artistic collaborator or chosen performer, colleague or friend.

The blurb makes a point of the contradictions that emerge, but in fact the portrait remains remarkably consistent throughout. These voices, condensed into interviews, the contradictions were all within it. It is clear that Britten was a genial host and a man whose warm affection for his friends was unreserved, and even

but that he kept to himself the whole business of composing. Hans Keller is the only contributor here who talks of having "had serious musical discussions with the composer, and even he found Britten unwilling to express views or maintain them in argument. No doubt Britten felt that his music should have no need of verbal justification, but his extreme reserve was surely also, as Graham Johnson and others suggest, a safeguard against the exposure of what was deep in his personality. On the other hand, practical music-making could obviously engage all his energies, even if he was himself a desperately nervous performer, though again he would discuss with his musicians points of technique rather than interpretation.

Singers — we hear from Peter Pears, Janet Baker, Joan Cross and Robert Tear — were selected in advance to be right for their roles, and so there was no need for much to be said. It followed also that the first-castings were usually for Britten definitive. He had little interest in going over old ground, and even

disliked hearing works presented in ways different from the original. What seems to have engaged him most, after composition, was the preparing of the premiere with his chosen team, preferably in Aldeburgh. The acclaim of a vast public was an embarrassment and an intrusion. Other curiosities and paradoxes abound. Britten could be extraordinarily kind, sensitive and generous to his friends, but the slightest misunderstanding was enough to close a relationship that had lasted for years. He was a pacifist, but vehement and intolerant in stating his pacifist views. He was a man of great refinement, but he loved nursery food and the jollities of a traditional Christmas. He was, in a word, human, and like any other human being he is not to be contained within a slim volume of reminiscences. However, the evidence assembled here may well lead to books of greater interest and insight than Christopher Headington's biography, a compressed catalogue of dates and contemporary press reports with an evil caricature of the composer on the cover.

Paul Griffiths

How things were for our Sisters

Victorian Women

Edited by E. O. Hilderson, L. P. Hume, and K. M. Offen

(Harvester Press, £25)

There's plenty of information, entertainment and cause for thought in this anthology of the lives of nineteenth-century women and how things were for them in Europe and America in the nineteenth century. It's in four parts: The Girl, The Adult Woman (personal life), The Adult Woman (at work), and The Older Woman. Rights and Lib come very much into it of course, but the texts (200 or so) are splendidly unassuming and unpretentious on the subject. Albertine de Necker de Saussure (1838) says a man "has but to express his will, and all yields to it in his family". How different from us, but then many decades of fearlessly emancipatory endeavour have rolled by since Saussure, and Beatrice Webb (strangely unquoted here) didn't communicate to the world in vain. Even in 1838, reference to the male wasn't as widespread as all that. Harriet Martineau said she was glad she'd escaped marriage, even though she managed to only because her, to a certain extent, loved one went off his head.

I'd have expected, French

women ("la douce tyrannie de la mère") to have emerged from this collection as the most formidable of the three sister groups, but surprisingly it isn't. The French, fearless flatterers, dashed from the room, and ran all the way from Sheringham to Cromer before feeling himself safe. Frances Kelly is here, who fought and won in the courts an action for judicial separation from her husband the Rev James Kelly, incumbent of St George's, Liverpool. And here too is George Sand, who wrote "The Reverend had done plenty of good, but he was a hypocrite, and one salutes the courage of this woman who fought for her natural rights at a time when the law literally interpreted the word of God. The most sympathetic of all those who logized? Mrs Gaskell: "When I had little children I do not think I could have written stories, because I should have become too much absorbed in my fictional people to attend to my real ones." Salute to a woman who is able to put first things first, without sounding in any way second-sexish or self-demeaning in doing so.

David Williams

Fiction

The Company of Women

By Mary Gordon

(Cape, £6.50)

Mary Gordon, author of *The Company of Women*, is herself one of an interesting female group, composed of novelists who have begun to publish in the United States in the past few years and who are part of a traditional conception of the novel, but in a wholly literate and serious fashion, yet at the same time unobscured by the current stridencies of feminism. Within it are Ann Tyler, Anna Beattie and, perhaps, the Guest, author of *Ordinary People*, who is towards the popular or good-read end of this particular spectrum. Mary Gordon is probably the best of them with her specific mixture of humanity, humour and accurate but unexcited perception of the contemporary scene.

The company of her new novel is a group of aging women, living in and around New York, widows and spinners in dull jobs, who are guided by a doctrinally austere but nevertheless independent-minded priest, Father Cyprian, to whom, in his rural retirement they pay an annual visit. Felicitas, the book's quantity but appropriately named central figure, is the daughter of one of them, the mother being a hearty female redneck or hard-bat, who in fact works for an insurance broker. Felicitas is known first as a clever child in the midst of this group of generally childless women, loved and treated and secretly hated by one or another of them. A vernacular liturgy means that she has to go to Columbia to study classics seriously and here she falls in love, in an uncompromising physical way, with a beautiful professional idiot, who involves her in his amorous "burned-on" mode of life for a while, leaving her, after this narcotic idyll, with a child. At the end we see her in Father Cyprian's village contentedly preparing to

marry the man in the hardware store. Felicitas's home circle, although peculiar, is still in a way ordinary in being magnificently unfashionable. It provides an excellent point of vantage from which to look at the rebellious cultural front line of the late 60s in the middle section of the narrative. Mary Gordon is extremely funny about the beautiful Robert about his girls and about the Woody Allen-like schmuck in the apartment below whom she sleeps with to prove to Robert that he has managed to liberate her. In the inside world of Felicitas, the traditional conception of the novel, but in a wholly literate and serious fashion, yet at the same time unobscured by the current stridencies of feminism.

She suddenly saw what Richard was meant to be — somebody's Jewish father, talking about bombing the Pentagon when he should have been peeing the chairman's pills. Mary Gordon's observation is as sharp as Mary McCarthy's used to be, but is less aggressive and less childishly smart. *The Company of Women* is immensely satisfying and quite without irritating faults, an impressively mature achievement for a second novel.

Michael Moorcock is a voluminous writer of more or less scientific fantasy hitherto, but now he has moved to a new field with great adroitness and credibility with *Byzantium Endures* (Secker & Warburg, £6.95). This purports, with a varied bag of tricks such as reincarnation, a page of the "original MS", appendices and thanks to real people in the "editor's introduction", to be the recollections, particularly of the years 1915 to 1920, of "Calvin" Ustak, a Ukrainian Jew, who has wound up selling second hand clothes in the Portobello Road, in refugee dereliction and anti-Semitic rage (assisted by his splendid refusal to acknowledge the rather obvious facts of his own descent).

Against the dreadful collapse of Russia in revolution and war, described in elaborate, exciting and highly convincing detail, this absurd East European Mr. Ustak reels from one fearful danger or humiliation to another. He manages to get away with his skin (apart from some sore patches on his behind), a Miss Journe's observation is accurate, tough, and often surprising. The broad filigree of a new, hearty child cord of her of Rubarb; more subtly, she makes us feel the loneliness of being French in Yorkshire and bossed by English in-laws. She does not conflict in marriage with a bleak honesty that rises towards hatred in the last story, where a raped wife is driven to stabbing potatoes in the night (though it must be said that story has an alternative, tender ending). It is not the most frightening story in the book. In the immaculate tale of a childless, abandoned wife, obsessed with

brace of valuable duelling pistols and, even more improbably, his self-reliance after phantasmagoria of ups and downs. It is typical that this to identify the bandit So-So whom he meets before 1917 with the Stalin he addresses in the labyrinths of historical metamorphosis. He doesn't crop up now and then in the text. His powers of self-deception are put to their supreme test in his oral for an engineering diploma where he interprets the four self-reliance as "unsubmittable" outcries of admiration. Pray is a mysterious source of light with which to illuminate the catastrophic events of his early life but the effect is compelling.

Peter Haining has put together in *The Best Short Stories of Rider Haggard* (Michael Joseph, £7.50) a selection from what he admits to be a fairly scanty store in the genre of Rider Haggard's output. In a characteristically sentence he says, "It needs to be said at this juncture that Haggard was not a prolific writer of short stories. There are 10 stories here, including some about Quetzalcoatl and the earliest life of Ayas, two of them about grave-robbing in Egypt and about a hare, being quite long. Peter Haining would have been a more useful guide to the more recent Conan Doyle and Kipling. He has not noticed that Rider Haggard does not write very well.

Two other works of literary resurrection deserve a short mention. Noel Polk has brought out the original of William Faulkner's *Sanctuary*, his famous shocker about Temple Drake and the psychopathic Popeye (Chatto & Windus, £9.55). In a concluding essay he makes clear that the story of writing the book at high speed to make some money which Faulkner put about is fairly remote from the truth. Also available again is John Buchan's last novel, *Mr. Harker* (Macdonald, £6.95), in which Leithen, the Buchan hero most like Buchan himself, uses his lying strength on the slightly peculiar task of finding a financier. Presumably the extraction who has disappeared in the Arctic.

Anthony Quinton

cleanliness to the point of madness, remembers the Virgin at Lourdes as she looks up into the blueish-white sky, and in a fantasy of purity allows herself to stare at a hole in the wall. Less impressive are stories set in Canada. These turn on the central figure's ambiguous feelings towards Indians, and her own self-doubts. The accident which has brought a precise French spirit into an English language context is a little less convincing. The author's own translation reads as freshly as original writing.

Elaine Feinstein

That wedding

Their Royal Highnesses The Prince and Princess of Wales

By Anthony Holden

(Weidenfeld & Nicolson, £7.95)

Royal wedding books are the literary equivalent of tea towels. Some are hastily cobbled up with little regard for quality, but there is no reason why others handsomely presented, and well made. You can't turn a tea towel into a tapestry and you can't make an instant souvenir into great literature. But there is no reason why either should be an embarrassment.

Anthony Holden, rather later into the field than most of his competitors, has stitched together an attractive manuscript which would do very well for the more intelligent aunt, though if she is a monarchist aunt who reads newspapers she won't find a lot, she doesn't know already. Mr Holden is the author of *Princess Diana* and a well researched book about Prince Charles, he knows his subject as well as any journalist, and he writes about him generously without excessive deference. He himself makes a distinction between "the investigative teams" of journalists, hardbitten men in raincoats from the mass circulation press, and "the sabbatine squad" as parodied in *Private Eye* under the by-line Sylvie Kryn. In fact this is a largely unreal distinction as Mr Holden's book is a very cleverly mixing of investigation, revelation, and what he himself designates in others as "mush".

Here are not many more than a hundred pages of book proper and a lot of appendixes, but acknowledgments, prologue, bibliography, and no fewer than four appendixes. He concedes that some of the book overlaps his earlier biography. Although the book is not a masterpiece, not just reprinting old material the self plagiarizing is often rather perfunctorily concealed by the most minimal changes. There is a particularly good example of this in the appendixes. In both books Mr Holden quotes the Duke of Edinburgh as saying to the Queen: "You may be right. The doctors will keep you alive so long!"

In the earlier book the remark was ascribed thus: "said her husband light-heartedly"; in the new one it's "joked her husband gently". This time the remark is ascribed to the Duke of Edinburgh as saying to the Queen: "You may be right. The doctors will keep you alive so long!"

phrases "the day itself dawned a rainy one" or "the Queen looked on in a rosy glow" if he had had more time to consider them. And if it's surprising to find him still promoting the idea of Prince Charles as Governor-General of Australia it's far odder to see him suggesting that Prince Andrew may one day become Governor-General of Canada. Now even likely to take place over the life body of Pierre Trudeau or any other foreseeable Canadian prime minister.

For all this Mr Holden is a lively and well-informed authority on Prince Charles, and there is no better royal wedding book. On the other hand I think he would have done better to have produced a thoroughly revised version of his biography than rush through a literary tea towel like this.

Knowledgeable though he is Hugo Vickiers has not spent nearly as much time following Prince Charles about as Anthony Holden has. His book, *Debutante Book of the Royal Wedding* (Deben, £8.95), is more profusely illustrated, stronger on genealogy than original analysis or anecdote, competent, likable, and an ideal present for aunts with a lower IQ and more slavish regard for monarchy than the ones to whom you would give the Holden.

In some ways Harry Arnold's wedding book is the most readable of the lot. Charles and Diana (NEL/Times Mirror, £2.95) Mr Arnold's book is one of "Britain's two leading Charles watchers". He refers to the elegant Lucia Santa Cruz as "a sexy Latin American" dish by anyone's standards and is a master of invented novelette dialogue. Sample: "Hello Diana," said a voice. "This is Prince Charles. Would you like to come down to Sussex to watch a game of polo?" Absurdity of this sort apart Mr Arnold gives a very vivid picture of the love-hate relationship between the Prince and those journalists who have shadowed him over the past few years. Yet despite this constant shadowing Prince Charles seems to be almost unflinching by good-humoured, even jocund. When he got Mr Arnold's congratulatory telegram after the engagement he even replied: "Trust you won't be made redundant."

Tim Heald

Living with the family

Shaky Relations

By Edward Blisshen

(Hamish Hamilton, £8.95)

Up to a point we could all write autobiographies. Like Edward Blisshen's, of which this is round about the sixth instalment. It centres upon the death of his father — that impossible, lovable man to whom an apology was made in *Sorry Dad*. But it also makes room for two large-scale diversions when Mr Blisshen descends on Africa, first attending Book Weeks in the West and later doing a lecture tour in the East.

Such events are not particularly extraordinary, even allowing for the fact that Dad and for the fact that the African visits arose out of Edward Blisshen's very personal interest in African literature. We could all, given some diligent work with diaries, or some determined effort at remembering, find matters of similar weight and potency to write about. What we could not do though is to cast our reminiscences into so remarkable a form. For what matters to Edward Blisshen is not the timetable of events, or their changing surface — although he has a fine touch for subtle detail — but the frustration of trying to get educationists to try intelligently about education; the irony of finding a Nigerian tracteller hawking his palms "though they were sumo" what matters here, and in the earlier volumes, is the human implications, the harsh difficulty of trying to reconcile warring temperaments, whether inside a family or across alien cultures that have come to share a common language.

And of course there are no answers. As before, the autobiography is supremely honest in its diffidence over making judgments at all. (Indeed the author seems so unsure of himself that he calls his own books by different titles and disguises his friend Leon Carfield behind the unlikely name of "Kufus.") Roasted Africa in more ways than one — "this was not Hertfordshire" — he none the less coolly articulates the dilemmas of an old culture confronted by a literary one, and holds the ring between them. Anguished by brute stupidity he takes refuge in a useful, civilising humour.

But there is a steel quality in these gentle ruminations, which vindicates his implicit conclusion: that literature is not just a matter of gesture and colour, but also a teasing out of subtleties of thought and feeling. This is nowhere more evident than in his account of the death of another shaky relation — his wife's mother — three pages of moving simplicity heightened by a perfectly achieved balance between observation and reflection. (But keep the teachers off it or they'll put it straight into their family studies textbooks.)

Brian Alderson

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Indiscriminate terror from the sky

The Doodlebugs

By Norman Longmate

(Hutchinson, £12.95)

"It's safer facing the Germans in the desert!" muttered an 8th Army soldier home on leave in Sicily in the summer of 1944, as the V-1 flying bombs clattered overhead and exploded around. First designated "the pilotless aircraft" and then the buzz bomb or doodlebug, the V-1 had been developed in 1942, but kept in the background by the glory-hunters of the Luftwaffe until it was too late for these incredibly cheap flying missiles (costing about £125 each) to be produced in sufficient quantity to affect the outcome of the war — and too late for fully effective delivery to be made on targets in Britain.

The author suggests that the V-1 might have been the device referred to by Hitler in his 1939 Danzig speech as "a weapon with which we ourselves could not be attacked", and lists half a dozen other possible alterna-

tives. Oddly enough, he does not include specifically the magnetic mine, which is what most people at the time supposed the Führer to have in mind. Whatever the truth of that may be, the German Argus company's first V-1, a pre-war plan in 1942, and if proposed output had been achieved, and the missiles delivered, casualties on the mainland of Britain could have been beyond the bounds of national tolerance. The reader of these pages will have a better understanding of the current controversy concerning Churchill's alleged ideas on visiting the German populace with previously unthinkable forms of death and disease (although Mr Longmate wrote this book before the present heated exchanges began). The author quotes the Premier's note of July 1, 1944, in which it is suggested that 100 German towns of between two and five thousand inhabitants, probably equipped for defence, might be selected for destruction. And the savagery of proposals from other quarters for reprisals, underline for posterity what was one of the most notable Nazi victories —

the advocacy on our side of ideas which "were openly discussed by otherwise humane people so effectively had the Germans succeeded in dragging their opponents down to their own degraded level". However, these distillations of indiscriminate terror were shelved without the threat of a combination of Allied bombing, Allied advances on the Continent, and an increasingly sophisticated interception fighters, balloons and anti-aircraft batteries, yet not until 6,000 of the missiles had got through and caused some 30,000 casualties. Posterity will also owe a great deal to the author for showing that people in 1944 were much as the people of "post-war" will probably be: a mix of the kind and the selfish, the compassionate and the unfeeling, the brave who overcame their fear and their less fortunate contemporaries who succumbed to it. All Britons were not "we can take it!" stalwarts, for to match those who helped their neighbours there were those who treated evacuees like unwanted cattle; and to match those in the

Laurence Cotterell

ACCOUNT DAYS : Dealings Began, June 29. Dealings End, July 10. \$ Contango Day, July 13. Settlement Day, July 20

§ Forward bargains are permitted on two previous days

[illegible]

Living standards
continue
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Business News

THE TIMES July 2 1981

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IN BRIEF

Gas profits may take £70m knock

The recession, and concessions made on industrial gas prices, in the Budget, could knock £70m off profits and prevent the British Gas Corporation reaching its financial target, MPs on the all party public accounts committee were told by Department of Energy officials yesterday.

Sir Donald Maitland, Permanent Under-Secretary of State at the Department of Energy, said that the finance for its four year £4,000m investment programme the corporation would probably have to draw down its deposits of £300m with the national loans fund, perhaps by as much as £200m over the coming two years.

The corporation would, he said, "move into a slightly negative cashflow period".

TUC offers to help exports

The TUC has offered to use its labour contacts abroad to foster better international trade relations and to help industry win new export contracts. The suggestion came during yesterday's meeting of the National Economic Development Council.

Lord Carrington, the Foreign Secretary, welcomed the TUC initiative and said the idea would be pursued in future discussions between Foreign Office and TUC officials.

1,500 jobs to go

More than 1,500 jobs are to be lost through more plant closures involving three separate companies. They are motor components manufacturer Rothery Owen Holdings, at Darlington, West Midlands (950 jobs), the Newforge cannery at King's Lynn, Norfolk (350), and the Rohn and Hass (412) acrylic monomer production plants at Teesside and Tyneside (280).

Fewer strikes

Good company-union relationships and willingness by workers to adapt to new methods have helped the Dundee-Arrow area to achieve a record of three times fewer strikes than the United Kingdom average, according to an independent study commissioned by the Scottish Development Agency, and covering more than 70 manufacturers.

£1m ICL order

English China Clays, which claims to be the world's largest china clay producer, has ordered £1m worth of equipment from International Computers Limited to be installed in September at the company's base at St Austell, Cornwall. It includes four computers, and a Videodata system.

Insurance price war

British motorists are benefiting from increasingly fierce competition between insurance groups. General Accident, the biggest motor insurer, declared yesterday that it plans to make no increase in premiums on its annual review date of August 1.

Textile imports

Britain will be seeking improvements in the effectiveness of the Multi-Fibre Arrangement which regulates textile imports, Mr John Biffen, Trade Secretary, said at the Trade Policy Research Centre last night. He criticized Japanese policy, and said Japan would be under pressure to ease exports to Europe.

Bid rejected

Conoco, America's ninth largest oil company, has emphatically rejected the bid from Seagram under which the Canadian distiller would pay £2,350m (£1,342m) for a 41 per cent stake in the company.

Wall Street lower

The Dow Jones industrial average closed 967.66, down 9.22 on Wall Street yesterday. The S & P 500 exchange rate was 1.14465 while the £ = SDR rate was 0.599450.

Nuclear team to go on with PWR design

By Rupert Morris

The Government took two positive steps yesterday to provide some much-needed impetus for the British nuclear industry. It appointed Mr Frank Gibb as chairman of the Nuclear Nuclear Corporation to succeed Mr Denis Rooney, who resigned on May 19. It also set up a task force to produce design proposals for the Pressurized Water Reactor, intended to be completed in time for a public inquiry late next year into the proposed PWR nuclear station at Sizewell in Suffolk.

The establishment of the task force, to be led by Dr Walter Marshall, chairman of the Atomic Energy Authority, represents both a clear endorsement of the PWR, which has always been strongly favoured by the Prime Minister, and a recognition of problems it has encountered.

Mr Gibb's appointment will cause little surprise, although the fact that it will be part-time while he remains joint managing director of Taylor Woodrow may not please officials of the Central Electricity Generating Board.

But while it may not halt the internal debate over the PWRs which is thought to have caused Mr Rooney's resignation, Mr Gibb's appointment will at least ease the uncertainty. He is 54, has been with Taylor Woodrow for 33 years, and has been acting chairman of the NNC since Mr Rooney left.

Mr David Howell, Secretary of State for Energy, announced yesterday that he was establishing the task force under Dr Marshall in response to representations from both the NNC and the CEBG, who were worried at the lack of progress.

Mr Howell said in reply to a Parliamentary question: "I am anxious that work on the development of the design for the first British PWR should proceed as quickly as possible, and that the design should be based on the best available technology. The Government also wishes to see more use made of the advice and experience on PWR technology available from British, Westinghouse and the French companies under the United Kingdom safety requirements. The Government also wishes to see more use made of the advice and experience on PWR technology available from British, Westinghouse and the French companies under the United Kingdom safety requirements."

Dr Marshall said yesterday that recent speculation had produced two alternative views on the PWR, which became highly controversial after an accident



Mr Gibb: appointment ends uncertainty

at Three Mile Island, Harrisburg, Pennsylvania.

These were, on the one hand, that the Government was prepared to buy the PWR "off the shelf", and on the other, that by the time it has been made to conform to British safety regulations, it would cease to be economical and would have to be dropped.

"Both of these views are patently ridiculous," Dr Marshall said. "The truth lies somewhere in between."

He added: "I think we must have all our decisions made this summer, so that we can set about describing the design in words and drawings, to present to the nuclear installations inspectorate. The time-consuming task is writing it up, and proving the safety case."

Dr Marshall said he saw his role as that of a "scientific technician" at the head of a team drawn from the CEBG, the NNC, UKAEA and the American companies Bechtel and Westinghouse.

Recent doubts about the PWR have been fuelled by reports by Friends of the Earth, a Commons Select Committee and the Monopolies and Mergers Commission, all of which criticized the inaccuracy of demand forecasts, and more recently by safety questions raised by Sir Alan Cottrell, former government chief scientist and senior metallurgist at the UKAEA.

["The United Kingdom used almost 6 per cent less energy in the three months to the end of May compared with a year earlier, according to provisional figures issued by the Department of Energy."

Deal makes Saatchi 'largest UK ad agency'

By Margaret Pagan

Saatchi & Saatchi yesterday clinched a takeover deal that it claims puts it ahead in the battle to be the largest advertising agency in the United Kingdom—and the largest national agency in Europe. It is paying £4m for the private Age Agency, which controls one of the fastest growing agencies in the country, Dorland Advertising. This adds accounts such as Heinz, Cadbury-Schweppes and Rolls-Royce to the list of Saatchi clients, which include the Conservative Party. Saatchi masterminded the advertising campaign that helped Mrs Margaret Thatcher to power at the last election.

Saatchi says the acquisition means that for the first time in 80 years a British-owned company leads the advertising field in the United Kingdom. The move also gives it a strong base for entry into the United States market.

Dorland, run by Mr Eric Garrett, was cited last year by MSA as the industry's monitor of billings, as the fastest growing of Britain's top 10 agencies.

Founded in 1905, it reported pre-tax profits for the year to December of £17,000 on turnover of £5.5m. It was adjusting for an attributable loss from discontinued activities. Age Synergy says it would have made £712,000. Net tangible assets in December were £333,000, plus a revaluation surplus from properties of £23,000.

Saatchi, which earlier in June saw pre-tax profits 20 per cent ahead at £1.63m, is paying £1.5m on completion, a further £2.5m in October 1982, and up to £1.6m, dependent on billing figures for this year and next, in 1983.

The £1.5m is to be satisfied by issuing 504,338 shares to be placed at 30p. Shares in the market gained 2p to 31p on the news. Phillips and Drew, the group's brokers, also have placed 500,000 shares towards subsequent payments. The £2.6m balance is to be funded from existing resources.

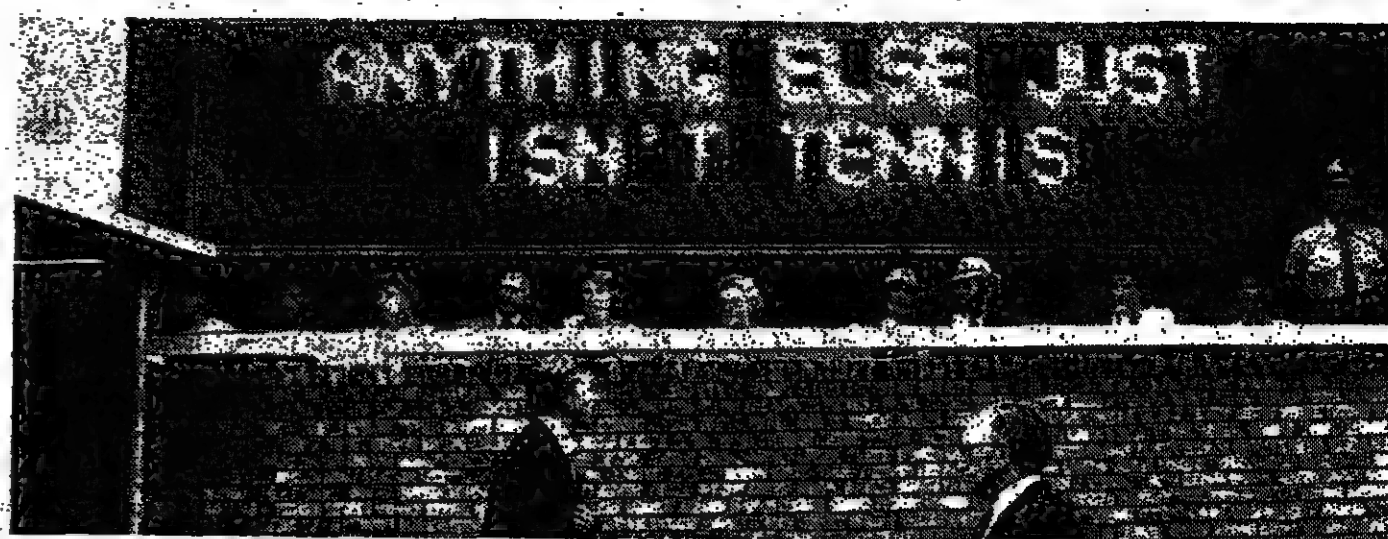
Other agencies in Age Synergy's subsidiary, Garrett Dorland Crawford Holdings, are Crawford in London and the Brookline Hixson network with offices in London, Manchester, Leicester and Newcastle.

The agency employs 400 people and is to remain independent of Saatchi. Combined billings for the two agencies are expected to top £15m.

Mr Simon Mellor, of Saatchi, said that expenditure on advertising continues to be remarkably resilient despite the recession.

Writing on the wall for roadside advertising Call to scrap British Posters

By Derek Harris, Commercial Editor



Spreading the word here is a poster displayed at one of the London & Provincial sites.

Action to curb monopoly practices which have restricted competition and partly led to high profits in the £50m-sales roadside poster advertising industry is being urged by Mrs Sally Oppenheim, Minister for Consumer Affairs.

A report yesterday from the Monopolies and Mergers Commission called for British Posters, a joint marketing company owned by 10 key poster contractors, to be scrapped. Mrs Oppenheim said later that she was "considering how best to achieve this."

She is also asking Mr Gordon Borrie, director general of the Office of Fair Trading, to seek undertakings from two of the industry's trade associations on the dropping of strictures

against members bidding for poster sites already in the use of another member. The commission found that codes of conduct in an earlier version could be seriously anticompetitive and that recently revised codes were also likely to have some effect on restricting competition.

The operation of British Posters, whose members control nearly 80 per cent of poster sites in the United Kingdom, has had a significant effect on the level at which prices have been set, the commission said, adding: "We are satisfied that the operation of British Posters has led to a more rapid and orderly upwards adjustment in prices generally than would otherwise have taken place and to more consistency in pricing between individual members."

The complex monopoly represented by members of the two main trading associations—British Poster Advertising Association and Solus Outdoor Advertising Association, which between them accounted for more than 80 per cent of the poster market—also tended to increase poster contractors' profits by keeping rents paid to landowners lower than they might have been.

The commission was concerned at the level of poster contractors' profits even though these did not arise solely through the monopoly situation, prices being dictated mainly by those of other media. Roadside Advertising Services, Monopolies and Mergers Commission (Commons paper 365, HMSO, £5.70).

Tories set for attack on bank lending

By Bryan Appleyard

A study group has been set up by the Conservative backbench industry committee to assemble evidence for an attack on the lending policies of British banks.

The group is to report by the autumn before the next session of Parliament, so that recommendations can be considered during the session.

The key to the group's brief is the belief that British industry has been handicapped by excessively short-term lending policies adopted by the banks. It has already produced a working paper which suggests that a minimum of £5,000m of new lending annually is required to start correcting the balance and creating new employment.

The paper states that total bank lending to industry in Japan stands at 96 per cent of gross national product. In West Germany the figure is 40 per cent, in France 35 per cent, but in the United Kingdom it is only 20 per cent.

The paper calls for an investigation into ways the Government can promote extended term lending by the banks and ways of giving lending institutions the same kind of favourable terms under which building societies lend to house buyers.

It also suggests a big expansion of the loan guarantee scheme, which could be extended to £1,000m annually, compared with the annual ceiling of £50m on the current pilot scheme. Latest figures from the Department of Industry show that guaranteed loans totalling £2.4m have been negotiated since its inception a month ago.

Mr Michael Grylls, committee chairman, said: "We were interested in bringing medium-sized companies into the mainstream of economic policy. He hoped to do this by raising the maximum guaranteed loan available to £250,000 instead of £75,000 at present and by changing bank lending policies."

Berisford bid lapses just short of success

By Michael Prest

S. & W. Berisford, the commodity traders, failed yesterday to gain control of British Sugar. Berisford's £201m offer lapsed yesterday, leaving it with just over 40 per cent of British Sugar, 2.5 per cent short of the level needed to trigger the sale of the Government's holding.

The Berisford board said it was "naturally disappointed" that its offer had lapsed. The directors went on: "We will, however, endeavour to act in the best interests of the company as a whole while also protecting the interests of Berisford shareholders."

But Mr John Beckett, chief executive of British Sugar, said he did not expect that Berisford's big stake would influence his management's policy. He said that British Sugar spent about £1m on its defence, including the cost of submissions to the Monopolies Commission.

Mr Gordon Percival, Berisford's finance director, said his company spent £250,000 on newspaper advertisements. He would not comment, however, on whether Berisford will sell all or part of its holding.

One important consideration that will influence both companies' policies is whether Berisford will return in a year with another bid.

Market sources said last night that Berisford's failure in the long, hard-fought struggle was probably due to its reluctance to pay more than the 33p a share it offered.

Receivers called in to footwear company

By Peter Wainwright

Norvic Securities, the loss making Norwich shoe manufacturer and retailer which apparently won a last minute reprieve from Barclays, its bankers five months ago yesterday, had receivers and managers appointed.

Mr Charles Metcalf, chairman, said that despite the substantial support of Barclays Bank, they cannot now continue to trade and maintain the group in its present form.

Mr Michael Jordan and Mr A. John Gully, the City of London accountants specializing in receivership and liquidation, have been appointed by the bank as joint receivers and managers.

Norvic employs nearly 1,100 people in Norwich and Mans-

field. In its heyday there were more than 2,000.

The two Norwich MPs, Mr John Garrett of Norwich South, and his fellow Labour MP, Mr David Ennals, who pursued Barclays to stay its hand in February, issued a joint statement.

They said: "Our hope is that the Receivers will be able to maintain production and minimize redundancies and find a buyer or buyers for the plant and the jobs that go with it."

The accounts of Norvic released three weeks ago contained an auditors' qualification. The group depended on adequate finance continuing to be made available.

Financial Editor, page 13

IBA cash compromise over Trident split

By David Hewson

The long-running wrangle over the future of Yorkshire and Tyne Tees television franchises will be over next month if, as expected, an extraordinary general meeting of shareholders in Trident, the group which owns both companies, decides to sell them to form two new companies.

When Trident's shareholders meet on July 23, they are expected to "rubberstamp" a formula already approved by the Independent Broadcasting Authority—a remarkable compromise between the IBA and the company.

The IBA has been at loggerheads with Trident since last December, when it ordered the company to divest itself of a majority holding in both companies. Its disagreement with the company, centred on Yorkshire, which Trident claimed would be unprofitable if it operated as a separate company.

As details of the break-up of Trident's television empire became clear yesterday, it was apparent that a deal had been struck between Trident and the IBA over the new Yorkshire company's future financial prospects.

Should Yorkshire's advertising revenue be severely affected by the enforced break with Tyne Tees, the company will be able to return to the IBA in the middle of next year and ask for a reduction in the amount it has to pay towards the formation of Channel 4, the new commercial channel, and a reassessment of its role as one of the



Yorkshire Television Holdings
Capitalization—£12.6m
Principal shareholders:
Banc 25 per cent
Pearson Longman 25 per cent
Trident 15 per cent
Yorkshire Post Newspapers 10 per cent
Three further investors at 5 per cent each or less
Mr. Rothchild held 15 per cent for subsequent placing with local Yorkshire interests.



Tyne Tees Television Holdings
Capitalization—£5m
Principal shareholders:
Vaux Breweries 20 per cent
Trident 20 per cent
Industrial and Commercial Finance Corporation 15 per cent
United Newspapers 7.5 per cent
Telefusion 7.5 per cent
Three other investors, so far unnamed, will each hold 5 per cent.

film distribution business in America as well as investigate other audio-visual projects there.

Trident has done a lot better out of the divestment exercise than it expected originally. The new Yorkshire company will pay rent to it for the use of technical assets for five years. In the first year this will be £1.5m, with an estimate for the five-year period of £5.5m.

It will also pay Trident for the use of studios for eight years, a total of £8.09m, with an option to buy the studios for £11m up to January 1, 1985.

Tyne Tees, the new company, will buy the existing studio buildings for £3m, next December and pay an estimated total rent for technical assets of £2.5m over the next five years. It will also pay a minimum total rent of £3.25m for eight years' use of new studios, with an option to buy at an indexed cost of construction, estimated at the moment at £2.5m.

Trident said it expected the divestment to increase the net worth of the company by some £2.25m.

The principal shareholders of Yorkshire will be the brewers Bass, publishing group Pearson Longman, Trident, and Yorkshire Post Newspapers. Tyne Tees' main shareholders will be Sunderland brewers Vaux, Trident, the institutional investors' body Industrial and Commercial Finance Corporation, United Newspapers and Telefusion, the television rentals group.

Lake View Investment Trust Ltd

14% IN 1980

30% IN 1981

FAR EAST INVESTMENT DOUBLED

The net asset value per Lake View share rose 45% from 131.6p to a new record level of 189.0p during the year to 31st March 1981. Total resources of £27m and earnings per share of 4.52p were both at record levels. The dividend is increased for the ninth successive year.

At the year end, the Far Eastern content of Lake View's portfolio had more than doubled from 14% to 30%. This trend is expected to continue in the current year but a balanced spread of interests, both geographically and by industry, will be maintained.

To obtain a copy of the Lake View Report and Accounts, please contact:

John Govett & Co. Limited
Management Group
Winchester House, 77 London Wall,
London EC2N 1DE. Tel: 01-588 5630

PRICE CHANGES

Rises		Falls	
AB Elec	10p to 126	Arb-Latham	10p to 345p
Banc	5p to 59p	Ass News	10p to 258p
Davies & Newman	1p to 124p	Atlantic Assets	5p to 246p
Farnell Elec	10p to 53p	British Sugar	9p to 331p
Gi Univ Stores	12p to 448p	Exel Grp	10p to 205p
Racal Elec	8p to 426p	First Castle	5p to 117p
Sainsbury J	12p to 434p	Gen Electric	4p to 326p
Taylor Woodrow	5p to 539p	Granges, including A.A.	5p to 246p
Unilever	8p to 588p	Rediffusion	5p to 184p
Union Discount	10p to 468p	Six Alliance	10p to 894p



Industry leaders at the Business Perspectives conference yesterday.

Industrial survival—Italian style

By Melvyn Westlake

A leading industrialist yesterday accused the Government of conducting a series of experiments, especially monetary experiments, without regard to the policies of other countries.

Speaking at a conference in London yesterday, Sir Campbell Fraser, chairman of Dunlop Holdings, chose the British steel industry to illustrate his point. While the British Steel Corporation has been reducing manpower and output, the Italian steel industry has been increasing its capacity, he said.

Twelve years ago Britain produced 28 million tonnes of steel a year; now it has a capacity of 15 million tonnes. Italy, on the other hand, had raised its capacity to 26.5 million tonnes. A reasonable man might ask how it was that in the same market circumstances one country's industry—which is not notably efficient—can expand, and another's industry contract, Sir Campbell said.

He was speaking at a conference on the "Revitalization of Britain's industry and economy", organized by Business Perspectives.

The example of steel presented the classic dilemma that faced companies in hard times, whether to reduce their size or grow out of the problem. His personal observation over many years showed him that the Italian way was to expand

whenever possible, without too much regard to profitability. The message for Britain was clear, Sir Campbell said.

Unless the Government was extraordinarily careful in what it did, it is perfectly possible that Britain would end up importing other countries' unemployment. Sir Campbell also noted that some years ago Italy passed a law which said that selected Italian companies could receive funds from banks at half the going rate of interest. Many Italian companies had gearing ratios so high that they would be regarded as candidates for liquidation by British standards. But, miraculously, the companies continued in business.

If Britain did not take the Italian practice into account, it could find itself with perfectly good companies going bankrupt while their Italian counterparts went on living.

Another paper prepared for the conference by Professor J. K. Galbraith argued that the "supply side" economics championed by President Reagan's Administration in the United States, was simply a way of giving more money to the rich by reducing their taxes.

It was not possible for the affluent in America to plead for lower taxes merely because they would like to have more money to spend and enjoy, the paper

noted. Instead some justification had to be found for cutting their taxes. A larger social value had to be ascribed to the act.

The reinvigoration of the American economy was the case currently being made on behalf of those who, in a perfectly normal way, would like to have more money at their disposal. However, the notion that tax cuts would herald some burst of "supply side" energy belonged to the realm of not-altogether-harmless fantasy, the professor's paper said. Professor Galbraith did not attend yesterday's conference.

Another speaker, Mr Peter Cazalet, a managing director of British Petroleum and chairman of BP Oil International, argued against any attempt to curb rapid exploitation of Britain's North Sea oil and gas. He said that the apparently attractive idea of producing just enough energy to maintain national self-sufficiency for as long as possible was the worst option open to a government.

The best policy was to encourage the maximum efficient rate of North Sea development so that Britain could become a net energy exporter. The country could then grow strong on the money coming in from overseas customers. He said that Britain clearly had a comparative advantage in energy production, and should exploit it to the full.

Two British companies in £150m oil rig deal

By Nicholas Cole

Contracts worth a total of £150 million have been won by two British companies for work on the North Sea oil floating production system expected to go into operation in the Hutton Field 90 miles north-east of the Shetlands during 1984.

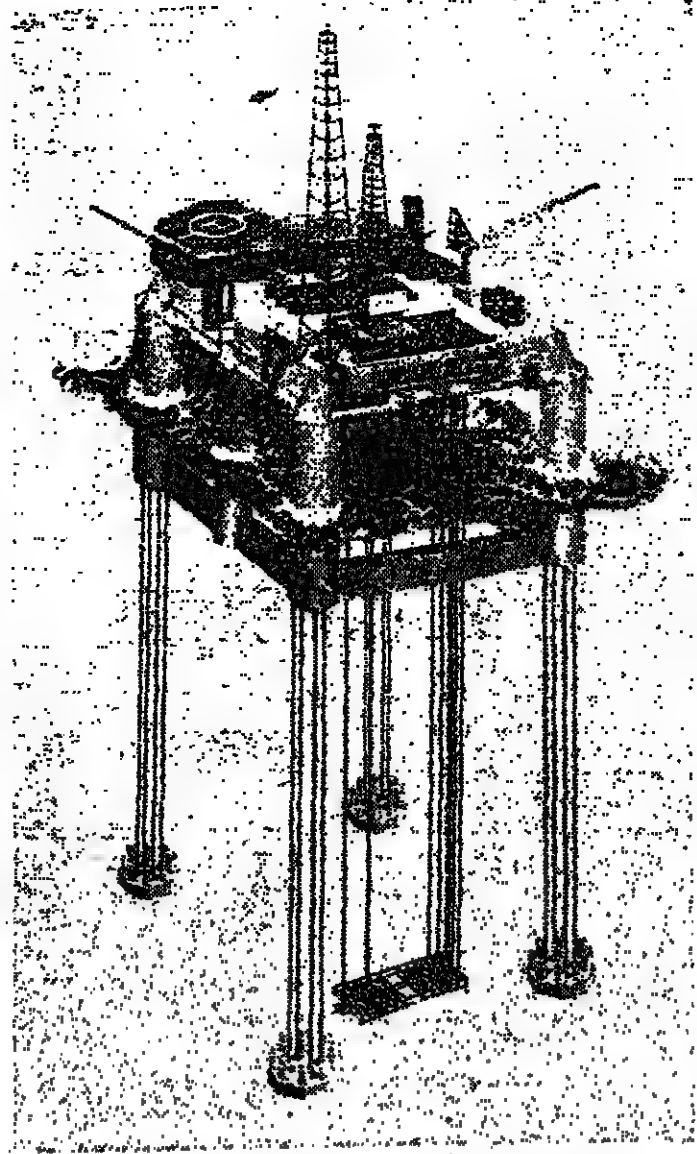
The contracts are for the deck and hull sections of the 46,900-tonne tension leg platform that will be used in the world's first commercial application of the system, was hailed yesterday by Mr Hamish Gray, the Energy Minister, as a breakthrough in offshore technology.

The deck structure will be built by McDermott Scotland at Ardersier, on the Moray Firth, and the hull section by Highlands Fabricators at Ness on the Cromarty Firth. The orders, gained against competition from other yards in the United Kingdom and continental Europe, will ensure employment for 3,400 workers until well into next year. Work will start immediately.

Award of the contracts was announced in London and Aberdeen by the operator, Conoco (UK) and its Hutton Field partner, the British National Oil Corporation, Gulf Oil, Amoco (UK) Exploration, Gas Council (Exploration) Mobil North Sea, Amerasia UK and Texas Eastern North Sea. The main interest in the field are held by Conoco, BIOC and Gulf Oil, each with a 20 per cent share. Total value of contracts awarded to date is an estimated £310 million.

Mr Harry Sager, chairman of Conoco United Kingdom, said the Hutton project marked an important departure from conventional methods.

"It does not depend, like



Floating rig design tethered to the seabed.

most systems used today, on big structures sitting on the seabed. So it opens up a new era of oil development in deep water territory that might otherwise be beyond our reach. We think we could now go down in excess of 1,500-2,000 feet," Mr Sager said. The Hutton Field is in 485ft of water.

Five years' engineering effort have gone into the project, which gives the British offshore industry the opportunity to take a world lead, Mr Sager said. The floating platform will be tethered to the seabed, under tension, by 16 vertical legs—four on each corner—made of 10½ inch diameter steel tubes.

Reluctant Bonn backs steel plan

The West German cabinet has approved the package of measures to curb steel industry output and subsidies, agreed by EEC industry ministers last week.

An economics ministry spokesman said in Bonn that approval was given at yesterday's cabinet session, despite continued misgivings. The measures become effective immediately.

At the EEC summit, Chancellor Helmut Schmidt expressed dissatisfaction with the agreement, which foresees a dismantling of state aid at steel at a slower rate than that sought by Bonn.

The final cut-off date for subsidies to steel means that Germany's almost unsubsidized steelmakers will have to continue to compete against heavily supported producers in other EEC countries until the end of 1983.

Datsun name 'may be dropped'

A report that Nissan Motor Company, the Japanese car maker, is to start selling its cars under the Nissan name rather than Datsun, has been criticized by the company's American dealers. In Tokyo, a Nissan spokesman was quoted as saying a change from Datsun was under consideration, "but no final decision has been made".

Australian oil probe

Barrick Petroleum (Australia) will spend over Aus \$30m (£17.5m) on oil and gas exploration in Western Australia over the next three years. Saudi multi-millionaire Prince Khalid bin Abdulaziz Al Saud has a controlling interest in the company, which has previously been involved in oil and gas exploration in the United States and Canada.

Japan 'on upturn'

The latest set of statistics indicates that Japan's economy will pick up in coming months, according to the Economic Planning Agency in Tokyo. Japan's economy has apparently bottomed out, the agency says, and will start recovering fully in the near future.

Pipeline call

Eighteen Congressional Representatives and 15 Senators urged President Reagan to call off a \$400-million (€120m) natural gas pipeline between Siberia and Western Europe.

Swiss liquidity rise

Swiss banking liquidity rose sharply in the final third of June according to figures in the Swiss National Bank's latest statement from Zurich. Clearing accounts of Swiss banks, commerce and industry rose to SwFr11.242m (£230m).

Nuclear fuel pact

Japan and the United States have reached agreement for joint research into the production of high quality, economical fuel for fast breeder reactors, the semi-official Power Reactor and Nuclear Fuel Development Corporation said in Tokyo.

Poor sugar crop

Mexico's sugar production in the 1981/82 harvest will be at least 150,000 tons less than forecast, because of heavy rains, according to the executive secretary of the national sugar workers union.

Dutch import price up

The index of Dutch import prices rose an unadjusted 1.3 per cent to 159 in April (1975=100) from 157 in March, and was 144 per cent above April 1980.

Aid for Sri Lanka

Lending countries, attending a World Bank sponsored group conference in Tokyo, have pledged to extend Sri Lanka \$830m (£434m) in economic aid.

Portugal's IMF loan

Portugal will shortly sign for a \$1,000m (£523m) loan from the International Monetary Fund, the finance ministry said in Lisbon.

Lloyd's rebels ready to form breakaway group

By Richard Allen, Insurance Correspondent

A group of Lloyd's members is attempting to set up a new body of underwriting names to rival the External Names Association formed under the chairmanship of Lady Middleton last year.

The new association is planned ostensibly to select eight external representatives to a new ruling council envisaged under the Lloyd's Bill on self-regulation.

But the move throws into sharp focus the deep divisions of opinion over various aspects of the Bill which, if successful, could dictate how Lloyd's conducts its affairs for the rest of the century.

Behind the move is a breakaway faction from the External Names Association. The group,

led by Mr John Rew, opposed a decision by Lady Middleton's supporters to back a petition to Parliament seeking extensive changes in the Bill.

The petition was instrumental in bringing about parliamentary demands for amendments.

Lloyd's 20,000 membership is to vote on July 17 on whether to accept the demands or risk the Bill being dropped from the parliamentary schedule.

In a letter seeking support for the new association from underwriting agents, the rebel group declares: "We and a substantial number of people who support us believe that her (Lady Middleton's) association is unrepresentative and will only have a brief existence."

General Electric to buy new Thorn scanner

By Bill Johnstone

Picker International, the medical electronics subsidiary of General Electric, has agreed in principle to acquire nuclear magnetic resonance technology from Thorn EMI to be used for medical diagnosis.

No financial details of the arrangement have been disclosed except that it was "a substantial consideration". Under the agreement, Picker International also will acquire a scanner that uses the technology and is under test at Hammersmith Hospital in London.

The technique, called NMR, is an old technology that has been given a new application. It has been used for years industrially for testing materials, among other applications, but

this is the first time that it will be used on a large scale for medical diagnosis.

NMR surrounds the body with a magnetic field and monitors the radiation inherent in the body. Instruments are now sensitive enough to measure these low levels of radiation, which are used to form a picture of the body.

Unlike the body scanner, which was invented by Thorn EMI and which in 1972 launched the company into medical electronics on a grand scale, the NMR technique does not penetrate the body with X-rays.

The new NMR scanners are expected to be on the market within 18 months.

Energy Agency fears oil price explosion

By Frances Williams

Another oil price explosion is imminent unless Western industrialized nations take tougher action to cut their consumption, the International Energy Agency (IEA) says.

The warning comes in its 1980 review of member countries' energy policies and projections.

The industrialized countries have made considerable progress in conserving oil, but "their efforts need to be intensified to guard against a recurrence of tight oil market conditions which could lead once again to intense price pressures", the agency says.

The IEA cautions that the present world oil glut, caused by falling world demand, and the resulting downward pressure on prices, is unlikely to persist after the end of the year.

Required imports by IEA's 21 member countries are forecast at 24 million to 25 million barrels a day throughout the 1980s, similar to the 24.5 mbd in 1979. This, combined with increasing demand from the rest of the world, will put upward pressure on prices.

On the basis of member country submissions, the agency calculates that there will be a shortfall of 1.2 million barrels a day in 1982, equivalent to 10 per cent of IEA oil demand or 16 per cent of IEA imports. The calculation assumes that the Organisation of Petroleum Exporting Countries will produce about 30 mbd, rather less than its 1979 production of 31.5 mbd but considerably more than

present estimated levels of 22 mbd.

The IEA believes that net imports of oil could be cut to 19-20 mbd in 1990. But assuming economic growth of around 3 per cent a year, this would mean slashing oil use per unit of gross domestic product by 37 per cent over the decade and increasing domestic energy supplies by 26 per cent, including a 50 per cent rise in coal production and a 170 per cent increase in nuclear supplies.

Failure to meet these objectives could result in another oil price shock and dampen economic growth in the 1990s, the IEA says.

A third of Western Europe's oil refining capacity, much of which is operating at record losses, may never be used again, Mr William S. Barrack, chairman and chief executive of Texaco, said yesterday (Edward Townsend writes).

Europe's capacity for crude oil distillation is seven million barrels a day greater than present consumption.

Mr David Howell, the Energy Secretary, yesterday appeared to contradict the recent British National Oil Corporation's pledge to keep North Sea prices pegged to Arab oil levels (Anne Warren writes).

He told an oil conference in London there was no reason why United Kingdom prices should not rise to the appropriate market level. "Since the Government is committed to the operation of the market that is what we would expect to happen."

Business appointments

Thorn EMI new board member

Lord Brabourne has joined the board of Thorn EMI in a non-executive capacity.

Mr Peter Rowland has been made secretary to the TSB Group. Mr R. A. Bray is the new managing director of the company for exploration and production of Esso Petroleum, Mr B. A. Sachs becomes executive director with responsibility for natural gas.

Mr Roger Wain is now senior vice-president and general manager for Great Britain of the Imperial Life Assurance Company of Canada.

Mr A. B. Hedgecock has become an executive director of Willis Faber & Dumas. Miss A. M. Davidson has joined the board of Willis Faber & Dumas (Agency).

Sir Norman Blegg has joined the board of Banco de Bilbao. Mr Jim Mann has been made director of the industrial product division of Johnson Wax.

Mr Jerry Bartlett is now a director of Tarmac National Construction.

Mr Jonathan M. Fry has become chief executive of Burnham Speciality Chemicals, formed as a division of Burnham Oil Trading.

Viscount Colville and Mr J. A. Sibley have joined the board of Thames Television.

Mr R. M. Godfrey has been made a divisional director and takes over the duties of plant director, MIRA, Dunfermline.

Mr Paul Sauter becomes chief executive of Manchester Chamber of Commerce.

Mr John Ramsden is now a managing director of Selsdon (Management).

Mr J. P. Clay is to join the board of Globe Management, a subsidiary of Globe Investment Trust.

Mr David Korda has joined the main board of Film Finance.

Mr Joseph C. McCough has been made a director of Group 4 Total Security, Ireland.

Dr A. J. S. Polwell has joined Daniel, Mann, Johnson & Sons, as director and general manager of Hingley Kings.

Mr A. H. Westropp has joined the board of the Sussex Mutual Building Society.

Mr Dennis Waters has become a non-executive director of KCA International.

Messrs F. C. Jeffrey and Mr R. S. Whitmore have joined the board of the Reintex Fire & Accident Corporation.

Mr John Dickson has joined Watney Mann National Sales as sales director.

Mr E. A. A. Briell has been made an executive director of B.A.T. Industries.

Mr Chris Adams, Mr John Bowman, Mr John Dave and Mr Ashley Meredith have all become partners of Thomson McLintock and Company, chartered accountants, on the merger of their firm with Thomson McLintock & Partners, with Thomson McLintock and Company.

Mr Ronald Asserson has been made a non-executive director of the Value as appliance company.

Mr Richard Harris has been made group financial controller of Tate & Lyle.

Mr K. J. Peters has become a director of Thomson North Sea and Thomson Scottish Petroleum.

Mr Richard Hill is now marketing director; Mr Marya Robinson, technical director; Mr Ian

Wytch Farm buyers gathering

By Catherine Gunn

Candecra, the British Onshore oil exploration company, is to explore ways to arrange a consortium of oil companies or financial institutions to buy the British Gas Corporation's half share of its onshore Wytch Farm oil discovery in Dorset if the Government succeeds in its attempt to force British Gas to sell.

British Petroleum, the gas corporation's partner at Wytch Farm, is also looking at the stake.

"We should be interested were the terms right. It would obviously hinge on the price," a spokesman for BP said last night.

Under the sell directive issued to British Gas on Friday, there is no obligation to sell Wytch Farm to a British buyer.

"It will be a commercial sale by British Gas. There is already foreign ownership of onshore oil resources in the United Kingdom," a spokesman for the Department of Energy said last night.

But Mr David Hooker, managing director of Candecra, which already has interests in Southern England, believes Wytch Farm should remain in British hands. "We are definitely going to be working on it," he said last night. "A consortium of oil companies is one of many possibilities."

Placing a value on the British Gas stake of Wytch Farm is complicated since the well is not fully on stream.

Scarbury, production director; and Mr Jeff Brydon, sales director, of Southern Water Treatment Company.

Mr Kenneth Bacon is to join the MEL Division of Philips Electronics and will become managing director on January 1, 1982, on the retirement of Mr Brian Terry.

Mr Reidar Niemi has been made managing director of Seaway Diving (UK).

Mr R. C. C. Jeffrey and Mr R. S. Whitmore have joined the board of the Reintex Fire & Accident Corporation.

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Chamberlin & Hill Limited

Year ended 31st March

1981 1980

Turnover £9,187 10,570

Profit before tax 654 1,018

Earnings per share 17.67p 16.77p

Dividends per share 2.75p 2.6p

In view of the extremely difficult trading conditions the results must be regarded as very satisfactory and, as an expression of confidence, the Directors recommend an increase in the final dividend to 1.65p (1.5p).

Demand on the foundries has averaged 55-60% since last July. The engineering subsidiaries also worked below capacity at times but they fared considerably better, contributing a greater proportion of group turnover and profits.

There has been some improvement since the end of the year in the level of orders for the foundries, but there are, as yet, no signs of a return to full-time working. The position in the subsidiary companies remains satisfactory and plans to increase the market penetration of their products are well advanced.

J. R. Eades, Chairman

GRANADA GROUP

Results for 28 weeks ended 11 April 1981 (unaudited)

	1981 £000	1980 £000	52 weeks ended 27 September 1980 £000
Turnover	190,953	168,705	331,082
Trading surplus before charging:	50,154	46,686	91,678
Depreciation—Rental Assets	18,821	17,644	35,180
—Other Assets	4,418	3,886	8,429
Interest	2,473	2,257	4,570
	25,712	23,787	48,179
Trading profit before Employee Share Scheme, Taxation and Minority Interests (note 2)	24,442	22,899	43,499
Employee Share Scheme (note 3)	—	—	1,013
	24,442	22,899	42,486
Taxation (note 4)	13,511	12,269	21,973
Profit after Taxation	10,931	10,630	20,513
Minority Interests:	162	126	307
	10,769	10,504	20,206
Earnings per share (note 5)	6.52p	6.73p	12.94p

- These results are prepared under the historical cost convention.
- Profits before taxation in the first 28 weeks were 6.7% above those for the same period last year. If trading continues as at present the improvement over last year will be rather greater for the year as a whole.
- The amount that may be allocated to the Employee Share Scheme will be dealt with by the Board when the results for the financial year are known.
- The taxation charge of £13,511,000 is after full provision for deferred taxation on UK Rental and Television profits.
- Earnings per share 6.52p (1980—6.73p) is based on earnings of £10,769,000 (1980—£10,504,000) and on 165,213,274 Ordinary and 'A' Ordinary shares in issue at 11 April 1981 (1980—156,160,675).
- The movement in the exchange rate of Sterling in the 28 weeks ended 11 April 1981 results in an unrealised credit of £844,000 (1980—£1,056,000). Such adjustment will be dealt with in the Annual Accounts.
- An interim dividend of 1.75p per share with the related tax credit equals 10.0% (1980—9.05%), an increase of 10.5% and amounting to £2,891,000 (1980—£2,474,000) will be paid on 1 October 1981 to shareholders on the register at 4 September 1981.

Alex Bernstein, Chairman
1 July 1981



GRANADA GROUP LIMITED 36 Golden Square London W1R 4AH

BY THE FINANCIAL EDITOR

Pyrrhic victory for British Sugar

British Sugar Corporation may have won its cliff-hanging battle for independence by a whisker but the outcome of this year-long struggle is hardly satisfactory for anyone concerned. S & W Berisford is left holding a huge chunk of BSC equity through which it can have little hope of influencing the Corporation. BSC's management may be restrained by the knowledge that two-fifths of its equity is in hostile hands, the British Government could be in a cleft stick over its plans to sell its 24 per cent holding, and much-needed reorganization of the sugar industry seems as far away as ever.

Meanwhile, Schroder Wagg which loyally stumped up £7m to support its client is left nervously eyeing the BSC price which fell to 33p last night, compared with the 35p it paid for its shares.

Having paid around £3 for its shares, Berisford is unlikely to flood the market with equity but its threat to hold on with a view to bidding again in a year could make any placing of the Government's stake a critical issue. Perhaps Berisford should accept defeat gracefully and arrange a placing of its own holdings with institutions, something Schroder argues could be done without upsetting the price.

Sterling Renewed pressure

Dollar interest rates stubbornly refuse to lie down and yesterday afternoon the Federal Funds rate in New York once again popped up above the 21 per cent level. True, it was "make-up day" for United States banks, but there was no doubt that the general firmness in dollar rates made it another good day for the United States currency. On the receiving end, of course, was sterling, which is generally out of favour anyway as the downward pressure on world oil prices continues.

The point of real interest now for foreign exchange markets is how the United Kingdom authorities will react if the dollar continues to stay in demand. The Government's avowed policy is, of course, not to intervene in foreign exchange markets in pursuit of an exchange rate target. Certainly, there was no serious intervention to try and hold the pound above the \$2 level. What the market now wants to see is whether there will be a more active attempt to hold the \$1.90 level as the potential cost pressures of a falling pound grow stronger. In early New York trading yesterday sterling started to slip below the \$1.90 level.

Meanwhile, short-term interest rates in the United Kingdom continue to be unaffected by the pull of dollar rates. The impact of the civil service dispute on tax payments is keeping liquidity in good supply and, as Greenwells point out in their latest Monetary Bulletin (generally in favour of the proposed monetary control changes) the authorities show little sign of yielding their discretion in the setting of short-term rates, whatever they may say to the contrary.

In the gilt market, however, rates are far more susceptible to United States rates and the performance of sterling. All of which is encouraging the market to speculate that the next tranche of Government funding will be through a further issue of index-linked stock. There is the danger that such an issue, a natural in the circumstances, could be taken as a sign of panic.

Industrial lifeboat Choppy waters

In just two days two well-known companies, Richards and Wallington and yesterday, Norvic, have had to call in the receiver following withdrawal of the bankers' support which had kept them going since news of their acute financial difficulties first surfaced a few months ago. It is early days yet, but it does at least raise the spectre of the rush of company failures which the pessimists were predicting more than a year ago.

It would also be premature to suggest that the clearing banks are rowing their industrial lifeboat back in. If there has been

any change of heart, it probably lies in their perception of where the economy is heading. Bankers could reasonably hope a year ago to support companies with stretched balance sheets for perhaps a year, but no longer. It is now looking so that for many manufacturing companies the worst trading period in their history is being followed by an equally tough time. Last week, for example, Vickers, a fairly representative engineering group, said that the upturn in its orders that it had seen only three months ago had evaporated. For many other groups the problem of income gearing, a much more fundamental hardship than capital gearing, looks likely to last much longer with no end in sight to high interest rates.

So the banks cannot now rely on an early economic recovery to ensure the safety of their loans and that ultimately appears to have been the reason why the banks would no longer continue sheltering Norvic and Richards and Wallington.

Meanwhile, the seeds have been sown by the Conservative Industry Committee for a new assault on the banks' lending policies. Its study group has been frankly set up to prove where the banks have gone wrong in lending, on excessively short terms with a view to shifting the Government this autumn into either discreet pressure or specific measures. Clearly, after their success in pushing through the loan guarantee scheme the small business campaigners and their friends believe they can make significant headway on this front. After all, the banks had fought loan guarantees from the beginning.

The central plank of the group's thinking at this stage is that the banks have failed to understand the needs of industry. As a result, they have effectively restricted the demands of industry which has become used to living in a short-term lending environment. The evidence will make interesting reading and, if the campaign proceeds with anything like the success of the loan guarantee campaign, the banks have a hard and highly political winter ahead of them.

Trident Television Acceptable solution

Given the present poor outlook for television contractors, Trident could scarcely have had a worse background for selling off majority stakes in Yorkshire and Tyne Tees television, or for resolving the problem of reaching an arrangement which will satisfy both Trident shareholders and prove attractive enough to encourage new investors.

In the event, Trident has come up with a deal with which its own shareholders—having suffered the blow of seeing the franchises lost—can be reasonably happy. The sale of the two companies and repayment of inter-company debt will yield £11.2m—not all immediately—against which can be set the cost of Trident's £3.1m equity investment in the two new holding companies. Adjusting last September's balance sheet for the divestment shows a £3.3m boost to net worth to £30.5m—equal to 62p a share—including £10.5m of cash and short term deposits.

Trident also receives rental payments on technical equipment and studios from both the new companies and in the first year this will total £3.5m. Together with the profits on its other remaining activities, such as leisure parks and scenery-making and interest on the cash it has amassed, there seems a fair chance that the present dividend payment will be safe once the franchises disappear at the end of the year.

Down in yesterday's 54p, the shares stand on a yield of 10.5 per cent and below net asset value. The future depends on how Trident now fares in its attempts to diversify into areas such as satellite and cable television and how its film distribution company in the United States—which has yet to make a contribution—progresses. It will also, of course, have its stakes in Yorkshire and Tyne Tees, although whether there will be dividend payments from these in 1982 must remain to be seen. On the whole, though, Trident seems to have extracted itself reasonably well and perhaps there will be more news at the extraordinary meeting later this month on the group's future plans.

One of the City's fiercest, longest and most expensive bid battles ended a decisive phase yesterday when S & W Berisford, the fast growing commodity traders, failed to gain control of British Sugar Corporation, the country's only refiner of beet sugar. It had bid £204m in April.

As the stroke of battle cleared, it revealed considerable confusion. The outcome, with Berisford 2 per cent short of the 42.6 per cent it needed to succeed, leaves many questions unanswered.

The immediate question is whether Berisford will sell all or part of its stake. If it does not sell, how will Berisford choose to wield what its finance director, Mr Gordon Percival, described as a "dominant influence"?

In the longer term there is possibility under Takeover Panel rules, that Berisford will return with another offer in a year. During that interval, however, there will be plenty of time for reflection. The reorganization of the British sugar industry, which a successful bid implied, has been postponed.

As the loser for the moment at least, Berisford is faced with the greatest difficulties. It has been interested in British Sugar for the better part of a decade. Acquiring a big manufacturing business in an industry complementary to Berisford's trading activity—Berisford is Britain's and possibly the world's biggest sugar trader—was a vital step in its plans to diversify away from the increasingly volatile commodity world.

But the history of the bid battle suggests that British Sugar and Berisford perhaps had less in common than appears from their mutual interest in sugar. Berisford is headed by Mr Gordon Percival, who is widely regarded in the City as a commodity trader of genius. Largely under his direction, Berisford's pre-tax profits grew from £2.74m in 1971 to £36.1m in 1980.

British Sugar's record has been less spectacular. Its pre-tax profits rose from £5.89m to £34.2m over the same period. But the rate of profits growth has accelerated noticeably over the last five years, partly because of the hard-nosed direction given by Mr John Beckett, the company's chief executive.

The contrast between Mr Margules, the archetypal modern, and Mr Beckett, very much the modern corporate manager, gave the battle its particular character—almost a clash of cultures. It also raised one of the critical issues: could a sugar merchant successfully run a fully a stable and strategic manufacturing business?

This question was given extra piquancy by Mr Beckett's determination to develop British Sugar's marketing, a previously neglected area, as well as

A bitter lesson for Berisford



Mr John Beckett, British Sugar's chief executive, tried to eliminate the sugar market's middle-men.

its manufacturing. While £150m has been spent on modernizing the corporation's refineries—a programme which included four factory closures—British Sugar has tried to eliminate some of the sugar market's middle-men. As a result, some sugar merchants have lodged a complaint with European Commission alleging abuse of market power.

British Sugar's modernization, assisted by this year's increase in EEC sugar prices, enabled the corporation to forecast 1981 profits of £45m. This meant that the corporation's stock market, was a decisive weapon in the battle. By contrast Berisford, which cast doubt on the basis for British Sugar's estimate, is having a difficult

time in the commodity markets and its profits are likely to sag.

This was bad luck for Berisford. Its first offer for British Sugar, worth £124m, was made in May of last year when it was doing well. The bid was referred to the Monopolies Commission, which did not report for nine months. The commission said that although it could see no great benefit in the bid, there was not a case for blocking a takeover.

The commission set two conditions on a renewed bid. One was that Berisford should cease trading cane sugar refined by Tate & Lyle. The other was that British Sugar should be run as an independent subsidiary of Berisford

(or any other bidder), providing financial information equivalent to that of an independent company.

Berisford reached agreement with the Department of Trade on both conditions, even if negotiations were tougher than the company had expected. But the delay had enabled British Sugar to marshal its defences. Its dividend was raised, its assets revalued, and Mr Beckett stressed Berisford's weak profit expectations for the year ahead.

Manoeuvres like this are part of the rough and tumble of takeovers. But this bid had one important novel feature: 24 per cent of British Sugar is held by the Government. In principle the Government is committed to its sale. But in order to avoid favouring one party or another, the Government said it would sell to the highest bidder of the majority of the uncommitted shares, leaving out its holding and 9 per cent already in Berisford's hands.

This meant that Berisford needed 42.6 per cent of the votes. At 3 pm yesterday it had just over 40 per cent which, as Mr Percival pointed out, was over half the available equity. The Government's policy is now important because of the impact a sale might have on British Sugar's share price, and on the chances of Berisford making again.

Schroder Wagg, the merchant banker which handled British Sugar's defence, partly by buying £7m of British Sugar shares on its own account, has tried to persuade the Government to place its holding mainly with institutional investors.

For several years sugar consumption in Britain has been declining. It was 2.3 million tonnes in 1980, some 350,000 tonnes less than in 1975. At the same time EEC pricing policy has favoured beet against cane. British Sugar's output has risen over the same five years from 800,000 tonnes to more than 1.1 million tonnes increasing its market share at the expense of Tate & Lyle.

Berisford's key argument was that it would be able to protect British Sugar against a contracting market by its superior marketing skills, especially in exporting sugar. British Sugar's claim that it was quite capable of marketing its production will now be tested more than ever.

If it fails, Berisford will feel it is vindicated. If it succeeds, Berisford can look forward to dividends and capital gains. The argument is far from over.

Economic notebook

Why living standards will continue to fall

Last week Sir Geoffrey Howe, minister of the Treasury, set a standard for the next pay round. He did not produce a banner specifically emblazoned with "no more than 5 per cent", but the implication was clear enough: Pay should rise much more slowly than prices over the coming 12 months and living standards must fall.

What the Chancellor (and the CBI) have said, however, is nothing compared to the thoughts of the Bank of England in the June edition of its *Quarterly Bulletin*. The Bank went as far as to suggest that the rate was to be a sustained improvement in the United Kingdom's international competitiveness, which presumably is what we are after as the only way of protecting our living standards; then pay increases (which, the Bank says, productivity might have to be "negligible" for a number of years).

Moreover, if one thinks about this apparently extreme statement a moment longer, the implication is more exacting still. For what the Bank seems to be dressing up in the guise of a pay norm for a number of years is an assessment that to get the misery over any more quickly requires a cut in nominal wages.

The Bank's conclusion is drawn from its analysis of the alarming deterioration in Britain's competitive position—some 50 per cent since 1978. While the more moderate pay increases of the latest pay round could have the effect of temporarily stopping the rot, the Bank makes it clear that many companies will continue to find the going tough and will need to improve their competitiveness further.

What the Bank says is this: To sustain the improved competitiveness needed to protect living standards over the longer term one must ensure that unit costs grow more slowly than those of our competitors or, in other words, that our productivity grows faster than theirs.

You can approach increased productivity from two ends. You can either put the emphasis on increasing output, or you place it rather more heavily on containing costs. Clearly, the former is the more desirable route since increased output is synonymous with improving living standards, at least as measured economically.

But it is, of course, easier said than done. The traditional way of setting out to accelerate productivity in national terms is through an official stimulus to the economy. But demand management in that sense is a discredited policy now on the grounds, experts in productivity counter-productive inflationary consequences.

The other conventional approach is from the cost end. This means action to keep labour costs growing much in line with the economy. This is done, at least in a United Kingdom context, which can be realistically pursued without short-term pressures on living standards.

In practice, however, we are left with a policy of progressive disinflation of the money supply with the aim of steadily reining back the rate of increase in nominal costs. There is no room for applied stimulation to throughput, and little sign of the supply-side miracle that would lead to self-generated increases.

In other words, cost containment must continue to bear the brunt, and living standards will fall accordingly if the policy is applied effectively. Is it possible, then, to estimate by how much living standards may fall?

The answer has to be "no". What looking at what needs to be done to United Kingdom competitiveness, one can only talk in general terms, and measures of competitiveness are in any case far from precise.

What should be an important point in the United Kingdom's favour, however, is that a significant improvement in competitiveness may not need the kind of cutback in living standards that might be needed in a similar situation in another country.

That is because there are two very different strands to the deterioration of competitiveness in Britain. One stems from the above average rate of inflation; the other has to do with North Sea oil. The deterioration stemming from the first definitely begins a cutback in living standards.

The latter is more complex, but it is clearly nonsense to argue that because we "have" North Sea oil there should be no benefit to living standards, unless that is the economic adjustment to North Sea oil is so badly handled that it leads to an unnecessary loss of large sectors of the economy along the way.

What was clear under a floating exchange rate regime was that the advent of North Sea oil would tend to raise the exchange rate. That in turn meant that internationally competing non-oil industries would have to contain their nominal costs even more rigorously than before if they were to maintain their competitiveness. But even if that meant static, or possibly falling, nominal levels of pay, it need not have meant any fall

in real living standards. Offsetting benefits would have come through the redistribution of North Sea tax revenue and lower import prices.

That said, the present situation is not helped by the fact that most of the benefit of the exchange rate appreciation on living standards has already been taken without any adequate restraint on nominal incomes.

As it is, it looks as if the Government is simply going to plod on with its gradualist policies. Drawing up its spending programmes in cash terms for next year may help it to underpin to those working in the public sector the trade-off between further wage increases and the score for fresh investment and greater employment opportunities. Private sector employees are trying to edge their way towards "productivity only" pay awards in many cases. They may help, but will not be enough.

The big gamble, of course, would be a two-year pay freeze, slashed short-term interest rates (leading to a lower real rate) and the redistribution of oil interest savings through lower taxes or higher public sector investment.

It would acknowledge the need for a sharp cut in living standards, leave time to consider the future of pay bargaining, stand the best chance of reducing unemployment significantly, and last but not least, offer the best chance of attaining the targets of the Medium-Term Financial Strategy.

John Whitmore

Business Diary: Art for mart's sake

The Contemporary Art Society, whose annual general meeting was held in the City last night, is the beneficiary of a policy that might be described as art for mart's sake.

The society is a charity, which acquires the work of living artists for gift or loan to public galleries, and Nancy Balfour, the chairman (below, yesterday, with a Nicholas Pope sculpture she owns) tell me that unlike most other charities they have never had it so good. Miss Balfour says it is all due to interest in the society being shown by business firms, particularly since the corporate membership scheme was brought in three years ago.

This entitles firms to advice on buying, borrowing or commissioning pictures by living artists. Some firms, however, turn over a whole buying programme to the society.

The society is half way through just such a programme

The phrase "private eye" is said to have originated from the eye motif on this advertisement (right) for the first office of the Pinkerton detective agency which opened in Chicago in 1850. Pinkerton, the holder of a thousand commercial secrets, now setting up in London, its first office outside North America.

One commercial secret Pinkerton's London chief, Tony Purbrick, did not have last night, however, was whether British Telecom is going to lay on the phone in time for the opening of the new office on Monday.

Purbrick is to speak to the British Telecom this morning to confirm whether Pinkerton's is in business or not. If the answer is no, then so far as Britain is concerned the world's largest private security guard and investigator will have to remain even more inscrutable than normal.

If all this sounds very British and un-American, then it would not be entirely out of keeping. The founder of the company, Allan Pinkerton was born in Glasgow 162 years ago. Purbrick, the managing director of Pinkerton UK, is a former British policeman, who joined Pinkerton's 13 years ago, and his manager, Denis Myers was also born here.

Purbrick told me yesterday: "We're not moving here because of the American banks and oil



companies. It's going to be a British operation, operating in the British market, and we'll be hiring British staff". Other European offices may be opened.

One area of work that is growing, both in the United States and here, is executive protection.

"I don't mean providing bodyguards for businessmen, so much as devising a complete safety programme for him and his whole family, although that could involve bodyguards."

One area of work that is not growing for Pinkerton's at any rate, is that staple of pulp fiction: "Our founder wrote out some rules in his own hand," said Purbrick, "no personal, no divorce work. Our investigators stick to things like theft, surveillance, and insurance claims."

and civil servants promised during its election campaign.

In order to give them the legally necessary space in which to work the calculation is that they will need something in the region of 4 million square meters of extra office space—which is something like five times the amount contained in the huge new complex of La Defense on the western outskirts of Paris.

Finding all that space in Paris seems a daunting task, but then the new government is firmly committed to a policy of decentralization, so the chances are that the office property market throughout France will be opening up.

Wootton reckons that property developers—not to mention the

international consultants—can feel pretty cheerful about the immediate future in socialist France.

Bond aid?

I hear that Christopher Tugendhat, the former Tory MP and now EEC Budget Commissioner, is letting it be known that he is prepared to take the present Tory Government to the European Court.


Talks are going on between EEC and United Kingdom officials about the system whereby the British Chancellor, alone among his European opposite numbers, expects excise duty to be paid on spirits and imported wines the moment they leave bond for the shops.

This means importers here have to finance payments of up to £18m in the pre-Christmas ordering rush, yet wait up until three months to get their money back from wholesalers and the shops.

The Tories supported a deferred payment plan when in Opposition, but are not so keen on it now. Tugendhat is saying that if the talks fail he will get tough.

An 800-page Chinese-English telephone directory of more than 20,000 frequently-used telephone numbers in China is to be published in the mainland and in Hong Kong. The 1981 China Telephone Directory, the first such comprehensive directory ever to be published in China, has been compiled by the Ministry of Posts and Telecommunications. It will give over 20,000 numbers in about 40 large cities, but there will be little chance of winning the wrong number—no private numbers will be listed.

Ross Davies



BPB Industries Ltd

Plaster, plasterboard and other building materials
Paper, paperboard and packaging products

- ▷ Profit of £42 million in difficult trading conditions — much benefit from higher productivity and energy savings
- ▷ Modernisation and cost-saving capital expenditure continues
- ▷ Reasonable hope for maintained profits in 1981/82 and longer term outlook remains excellent

F. Geoffrey Flood Chairman

	1981	1980
	£ million	£ million
Sales	361	341
Profit before tax	42	47
Attributable profit (after tax)	30	34
Earnings per share	P 32.4	P 37.6
Dividends per share (including tax credit)	12.857	12.857

Copies of the Annual Report and Accounts may be obtained from the Secretary, Ferguson House, 15/17 Marylebone Road, London NW1 5JE.

La crème de la crème

กรมส่งเสริมการค้าระหว่างประเทศ
01-403 4944

Baby shot in mother's womb celebrates fifth birthday today

By David Nicholson-Lord

A fifth birthday is a big event in any child's life. For Cathy Ann Gilmore, left, whose birth contributed a brief but distinctive footnote to the violent history of contemporary Ulster, today's celebration will be extra special.

Cathy was born a month prematurely after being wed in her mother's womb. Mrs Mary Gilmore, aged 32 and eight months pregnant, was chatting to friends at a street corner in Grumlin Road, Belfast, when terrorists drove up and fired at her. The bullet pierced Mrs Gilmore's womb and lodged in the back of her un-

The bullet was removed by surgeons at the Royal Victoria Hospital in Belfast, who delivered Cathy by Caesarean section and saved the life of both mother and baby. Cathy

Two years ago she was awarded £8,000 compensation after legal arguments about whether she was a "person"

ject Atkins offer as 'ca

Hunger strikers reject Atkins offer as 'callous'

made his firm but conciliatory-sounding statement, carefully calculated to follow up the proposals put forward by the Government and to stress that each of the eight prisoners and their families.

In an earlier statement yesterday, the Irish Republican Socialist Party, the political mouthpiece of two of the hunger strikers, also rejected Mr. Adkins's statement, as unacceptable.

With the outright rejection of the statement the chance of finding a peaceful solution seems to have slipped away. The Government is now expected to die on or near July 13, the day when Orange marches will take place all over the province hold their annual marches. Joseph McDonnell, on the fifty-fourth day of his fast, said:

Mr. Adkins's statement, while welcomed by the commission and the Social and Democratic Labour Party, was criticized by the Democratic and Official Unionist Parties. A spokesman for the DUP, said it revealed a

dangerous dilution of the Government's stand on the five demands and well-told signs of an inner weakness within the Northern Ireland Office.

Dublin Dr. Garret FitzGerald, the new Irish Minister, had talks with the Minister for Foreign Affairs. The hunger strike and relations with Northern Ireland are believed to have been the main topic of conversation.

A policeman was treated in hospital for shock yesterday after the IRA shot at a police patrol from a moving car in Andersonstown Road, west Belfast. He was later discharged.

A British Army training police with inquiries about the discovery of a 5 lb boobytrap bomb in an alley frequented by patrols in New Barnsley Drive, west Belfast. Five pounds of explosive were discovered with a detonator attached and copper wire leading to a pair of radio devices to the Springfield Road.

Early budget likely, page 2

Leading article, page 13

NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded

[illegible]